

**NOTICE**

Notice is hereby given that the Eighteenth Annual General Meeting of the Members of Autoline Industries Limited will be held on **Thursday, July 31, 2014 at 02.30 p.m.** at Survey Nos. 291 to 295, Nanekarwadi, Chakan, Tal. Khed, Dist. Pune 410501, to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt:
  - (a) The audited financial statements of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; and
  - (b) The audited consolidated financial statements of the Company for the financial year ended March 31, 2014.
2. To appoint a Director in place of Mr. M. Radhakrishnan (DIN: 00006752), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To appoint Auditors in place of retiring Auditors M/s. KVMDs & Associates, Chartered Accountants, Pune (Registration No. 121347W), to hold office from the conclusion of this Annual General Meeting until the conclusion of the twenty third Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 139, 140 of the Companies Act, 2013 and the Rules made thereunder, and pursuant to the recommendation of the Audit Committee of the Board of Directors, M/s. A.R. Sulakhe & Co. Chartered Accountants (Registration No. 110540), be and are hereby appointed as the Auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of the twenty third Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting held after this Annual General Meeting) and at such remuneration as shall be fixed by the Board of Directors of the Company.”

**SPECIAL BUSINESS**

4. To appoint Mr. Prakash B. Nimbalkar (DIN: 00109947) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time), Mr. Prakash B. Nimbalkar (DIN: 00109947), who was appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him signifying his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of twenty third Annual General Meeting of the Company in the calendar year 2019.”
5. To appoint CA Vijay K. Thanawala (DIN: 00001974) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 (the Act) and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement (as amended from time to time), CA Vijay K. Thanawala (DIN: 00001974), who was appointed as an Independent Director and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him signifying his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years for a term up to the conclusion of twenty third Annual General Meeting of the Company in the calendar year 2019.”
6. To appoint Mr. Umesh N Chavan (DIN: 06908966) as a Director liable to retire by rotation and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 and the Rules made thereunder and the Articles of Association of the Company, Mr. Umesh N Chavan (DIN: 06908966) who was appointed as an Additional Director of the Company by the Board of Directors with effect from June 25, 2014 and who holds office until the date of Annual General Meeting, in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from him signifying his candidature for the office of Director, be and is hereby appointed as a Director of the Company who shall be liable to retire by rotation.”
7. To appoint Mr. Umesh N Chavan (DIN: 06908966), Director and Chief Executive Officer as an Executive Director and Chief Executive Officer and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and

subject to the requisite approval of the Central Government, consent of the Members of the Company be and is hereby accorded to the appointment of Mr. Umesh N. Chavan (DIN: 06908966) , as an Executive Director and Chief Executive Officer of the Company, for a period of 5 (five) years with effect from June 25, 2014, on the terms and conditions as set out in the Statement annexed to this Notice convening this Meeting and in the agreement to be entered into between the Company and Mr. Umesh N. Chavan, a draft whereof is placed before this meeting and is hereby specifically sanctioned with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Umesh N. Chavan, subject to the same not exceeding the limits specified in Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

RESOLVED FURTHER THAT consent of the Members be and is hereby given for payment of remuneration as follows to Mr. Umesh N. Chavan, Executive Director and Chief Executive Officer for the period starting from June 25, 2014 to June 24, 2017 within the limits specified in Section 197 of the Companies Act, 2013 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof;

1. Salary and Bonus: ₹. 60 Lacs per annum
2. Performance / Variable payout: Payable at such intervals, as may be decided by the Board of Directors.
  - a) 1% of net profit on new business developed (net sales excluding any taxes, levies and duties) every twelve months from the date of joining. For the purpose this clause, new business developed every twelve months shall mean business received for the new finished products or received from new customers every twelve months as compared to the previous twelve months on standalone basis.
  - b) 10% on cost reduction achieved in material and Direct manufacturing costs every financial year as compared to previous financial years– as may be decided by the Board of Directors on standalone basis.
3. Perquisites and allowances:
  - a) Mediciam policy : For self and dependents as per the rules of the Company.
  - b) Personal accident insurance : As per the rules of the Company.
  - c) Directors & Officers Liability Insurance - As per the rules of the Company.
  - d) Insurance - Overseas Travelling insurance- As per the rules of the Company.
  - e) Leave travel concession/ allowance: For self and family as decided by the Board of Directors from time to time.
  - f) Company car and telephone : Use of the Company’s car, chauffeur and telephone for performing official duties as per the rules of the Company.
4. Other benefits :
  - a) Earned / privilege leave: As per the rules of the Company.
  - b) Company’s contribution to Provident Fund and Superannuation fund: As per the rules of the Company.
  - c) Gratuity : As per the rules of the Company.
  - d) Encashment of leave : As per the rules of the Company.

RESOLVED FURTHER THAT, notwithstanding anything herein above stated where in any financial year closing on or after March 31, 2014, during the tenure of Mr. Umesh N. Chavan, as an Executive Director and Chief Executive Officer of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Umesh N. Chavan, the above remuneration by way of salary, bonus and other allowances as a minimum remuneration but not exceeding the limits specified under Section II of Part II of Schedule V to the Companies Act, 2013, or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter and vary the terms and conditions of appointment and / or remuneration, subject to the same not exceeding the limits specified under Section 197, read with Schedule V of the Companies Act, 2013 or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

8. To ratify the remuneration of the Cost Auditors for the financial year ending March 31, 2015 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of ₹ 6 Lacs (Rupees Six Lakhs only) plus applicable taxes thereon and the reimbursement of out of pocket expenses at actual basis to be paid to Mr. Sudhir G. Jog, (Membership No. 5599), Cost Auditors for the conduct of the cost audit of the Company for the financial year ending March 31, 2015, as recommended by the Board of Directors, be and is hereby ratified.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

9. To authorise the Board of Directors pursuant to provisions of Section 180(1)(c) of the Act for borrowing money including deposits upto ₹ 500 Crores over and above the aggregate of paid up share capital and free reserves of the Company and in this regard to consider and if thought fit, to pass with or without modification the following resolution as a **Special Resolution**:

“RESOLVED THAT in supersession of the Ordinary Resolution adopted at 12<sup>th</sup> Annual General Meeting held on September 27, 2008 and pursuant to Section 180(1) (c), Section 73, Section 76 read with Companies (Acceptance of Deposits) Rules, 2014 (“the Deposit Rules) and any other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules made thereunder (including any other statutory modification(s) or reenactment thereof for the time being in force), the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee which the Board may constitute/ has constituted for this purpose) to borrow any sum or sums of money (including deposits within the meaning of Section 2 (31) of the Act, read with Rule 2 (c) of Deposit Rules and the non-fund based facilities) from time to time for the purpose of business of the Company, from any one or more Banks, Financial Institutions and other persons, firms, bodies corporate in excess of the aggregate of the paid up share capital of the Company and its free reserves that is to say, reserves not set apart for any specific purpose notwithstanding that the monies borrowed by the Company together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s Bankers/ Financial Institutions in the ordinary course of business), provided that the total amount borrowed and outstanding at any point of time apart from temporary loans obtained/ to be obtained from the Company’s bankers in the Ordinary course of business, shall not be in excess of ₹. 500 Crores (Rupees Five Hundred Crores) over and above the aggregate of the paid up share capital of the Company and its free reserves, and that the Board be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty, doubt that may arise in respect of borrowing(s) aforesaid, and further to do all such acts, deeds and things and to execute all such documents and writings as may be necessary, proper, desirable or expedient to give effect to this resolution.”

By Order of the Board of Directors

For Autoline Industries Limited

(Ashutosh Kulkarni)

Company Secretary and Compliance Officer

June 25, 2014

Registered Office: S. No. 313, 314, 320 to 323 Nanekarwadi,

Chakan, Taluka- Khed, District-Pune 410501

CIN: L34300PN1996PLC104510 e-mail: [investorservices@autolineind.com](mailto:investorservices@autolineind.com)

#### NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE “MEETING”) IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.**

2. A Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, July 26, 2014 to Thursday, July 31, 2014. ( both days inclusive).
5. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between Directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

6. Members are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.
7. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, during business hours up to the date of the Meeting.
9. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company.
10. Copies of the Annual Report 2014 are being sent by electronic mode only to all the members whose email addresses are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2014 are being sent by the permitted mode.
11. The Notice of the 18<sup>th</sup> Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.
12. Members may also note that the Notice of the 18<sup>th</sup> Annual General Meeting and the Annual Report 2014 will be available on the Company's website- [www.autolineind.com](http://www.autolineind.com). The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: [pune@linkintime.co.in](mailto:pune@linkintime.co.in) / [investorservices@autolineind.com](mailto:investorservices@autolineind.com).
13. Members are requested to send all their documents and communications pertaining to shares to Link Intime India Pvt. Ltd., Share Transfer Agent of the Company at their address at Block 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune 411 001, Telephone No (020) – 26161629, 26160084, Fax No (020) – 26163503 for both physical and demat segment of Equity Shares. Please quote on all such correspondence – "Unit Autoline Industries Limited" for Shareholders queries – Telephone No (020) 26160084 Email ID – [pune@linkintime.co.in](mailto:pune@linkintime.co.in).
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Link Intime India Pvt. Ltd. R & T Agents / to the Company.
15. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website - [www.autolineind.com](http://www.autolineind.com) under the section 'Investor Relations'.
16. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to Company, for consolidation into a single folio.
17. Non-Resident Indian Members are requested to inform Link Intime India Pvt. Ltd., R & T Agents, immediately of:
  - a) Change in their residential status on return to India for permanent settlement.
  - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
18. Transfer to Investor Education and Protection Fund (the IEPF) :

The dividends and other amounts which remain unclaimed/ un-cashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund, constituted by the Central Government under Section 205(A) and 205(C) of the Companies Act, 1956 and / or Section 124 of the Companies Act, 2013. Pursuant to the provisions of Section 205A (5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed interim dividend for the financial year 2006-07, to the IEPF established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 26, 2013 (date of last Annual General Meeting) on the website of the Company ([www.autolineind.com](http://www.autolineind.com)), as also on the website of the Ministry of Corporate Affairs.

The details of dividend paid by the Company and their respective due dates of the proposed transfer to such Fund of the Central Government if they remain un-cashed are as under:

Date of declaration of dividend	Date of dividend warrant	Dividend for the year	Dividend Per share ₹.	Due date of the proposed transfer to the Central Government
01.09.2007	13.09.2007	2006-07	2.00	30/08/2014
27.09.2008	13.10.2008	2007-08	5.00	26.09.2015
25.09.2009	05.10.2009	2008-09	1.00	24.09.2016
24.09.2010	05.10.2010	2009-10	2.00	23.09.2017

30.12.2011	12.01.2012	2010-11	3.00	29.12.2018
27.09.2012	08.10.2012	2011-12	4.00	26.09.2019
26.09.2013	30.09.2013	2012-13	1.00	25.09.2020

It may please be noted that no claim will lie from a member once the transfer is made to the credit of Investor Education and Protection Fund of the Central Government, under the provisions of Section 124 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014.

In view of the above regulation, the Shareholders are advised to send the un-cashed dividend warrants to the Registered Office of the Company for revalidation and en-cash them before the due date for transfer to the Central Government.

**19. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

**20. Voting through electronic means:**

The Companies Act 2013 has prescribed the provisions of voting through electronic means. In Compliance with provisions of Section 108 of the Companies Act, 2013 and rules thereof, the Company is pleased to provide Members, facility of electronic voting system to exercise their right to vote on business to be transacted at the 18<sup>th</sup> Annual General Meeting (AGM) of the Company by electronic means through National Securities Depository Limited (NSDL).

Members are requested to follow the instructions below to cast their vote through e-voting:

- a) User ID and Password for e-voting is provided in the Attendance Slip. Please note that the password is an initial password.
- b) Login on to the website: [www.evoting.nsd.com](http://www.evoting.nsd.com)
- c) Click on 'Shareholder – Login'
- d) Put user ID and Password noted in step (a) above as initial password and login.
- e) If you are logging in for first time, Password Change menu appears. Change the password with new password of your choice with minimum 8 digits / characters or combination thereof. Please note the new password for all the future e-voting cycles. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f) Home page of e-voting opens. Click on e-Voting: Active Voting Cycles.
- g) Select "EVEN" (E Voting Event Number) of Autoline Industries Limited.
- h) Now you are ready for e-voting as "Cast Vote" page opens.
- i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j) Upon confirmation, the message "Vote cast successfully" will be displayed.
- k) Once you have voted on the resolution, you will not be allowed to modify your vote.
- l) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter, etc. together with attested specimen signature of the duly authorised signatory(ies), who are authorized to vote, to the Scrutinizer through e-mail to [sunilnanscrutinizer@gmail.com](mailto:sunilnanscrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**General Instructions for e-voting:**

- In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of [www.evoting.nsd.com](http://www.evoting.nsd.com).
- If you are already registered with NSDL for e-voting, then you can use your existing User ID and password for casting your vote.
- You can also update your mobile number and e-mail ID in the user profile details of the Folio, which may be used for sending future communication(s).
- The e-voting period commences on Wednesday, July 23, 2014 (9.00 A.M. IST) and ends on Friday, July 25, 2014 (6.00 P.M. IST). During this period Shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 20, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Shareholder, the Shareholder shall not be allowed to change it subsequently.
- The voting rights of Shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut off date i.e. June 20, 2014.
- Mr. Sunil G. Nanal (FCS No.5977), Partner M/s. KANJ and Associates, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
- The Results shall be declared on or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.autolineind.com](http://www.autolineind.com) and on the website of NSDL [www.nsd.com](http://www.nsd.com) within two days of passing of the resolutions at the 18<sup>th</sup> AGM of the Company and communicated to the NSE Limited and BSE Limited.



**STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 (“the Act”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the accompanying Notice:

**Item Nos. 4 and 5**

Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala are Independent Directors of the Company and have held the positions as such for more than 5 (five) years.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a Listed Company. It is proposed to appoint Mr. Prakash B. Nimbalkar and CA. Vijay Thanawala as an Independent Directors under Section 149 of the Act and Clause 49 of the Listing Agreement to hold office for 5 (five) consecutive years for a term up to the conclusion of the 23<sup>rd</sup> Annual General Meeting of the Company in the calendar year 2019.

Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.

The Company has received notices in writing from the appointee along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala for the office of Directors of the Company.

The Company has also received declarations from Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

In the opinion of the Board, Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala fulfill the conditions for appointment as Independent Directors as specified in the Act and the Listing Agreement. Mr. Prakash B. Nimbalkar and CA Vijay K. Thanawala are independent of the management.

Brief resume of Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letters for respective appointments of Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala as an Independent Directors setting out the terms and conditions are available for inspection by Members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala are interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice with regard to their respective appointments.

The relatives of Mr. Prakash B. Nimbalkar and CA. Vijay K. Thanawala may be deemed to be interested in the resolutions set out respectively at Item Nos. 4 and 5 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board commends the Special Resolutions set out at Item Nos. 4 and 5 of the Notice for approval by the Members.

**Item No. 6**

The Board, at its meeting held on June 25, 2014, appointed Mr. Umesh N. Chavan, as an Additional Director of the Company with effect from June 25, 2014, pursuant to Section 161 of the Companies Act, 2013, read with Article 91 of the Articles of Association of the Company.

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Umesh N. Chavan will hold office up to the date of the ensuing Annual General Meeting. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from him alongwith the deposit of requisite amount proposing the candidature of Mr. Umesh N. Chavan for the office of Director.

The Company has received from Mr. Umesh N. Chavan (i) consent in writing to act as director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, and (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

No Director, Key Managerial Personnel or their relatives, except Mr. Umesh N. Chavan, to whom the resolution relates, is interested or concerned in the resolution.

The Board commends the Ordinary Resolution set out in Item No. 6 for the approval by the Members.

## Item No. 7

Mr. Umesh N. Chavan was appointed as Chief Executive Officer of the Company with effect from June 6, 2014.

The Board of Directors of the Company (the 'Board'), at its meeting held on June 25, 2014 has, subject to the approval of Central Government and Members, appointed Mr. Umesh N. Chavan as an Executive Director and Chief Executive Officer, for a period of 5 (five) years from June 25, 2014, at the remuneration recommended and approved by the Nomination and Remuneration Committee (the 'NR Committee') of the Board and then further approved by the Board.

As per the provisions of Section 197 read with Schedule V of the Companies Act, 2013, the remuneration payable to Mr. Umesh N. Chavan as an Executive Director and Chief Executive Officer needs prior approval of Members by way of Special Resolution.

Further if the Company is not able to comply with the provisions of Section 197 (3) read with Schedule V of the Act, then the remuneration shall be paid with the previous approval of the Central Government.

As the Company is not regular in repayment of its debts or interest in the preceding financial year, due to difficult financial conditions and slowdown in automobile sector, the conditions as mentioned in Section II of Part II of Schedule V could not be met.

In view of this, the Company would be obtaining necessary approval from the Members and Central Government in this regard.

Broad particulars of the terms of appointment of and remuneration payable to Mr. Umesh N. Chavan is as under:

### i) **Tenure of Agreement:**

- (a) Period of appointment : Five years beginning June 25, 2014 and ending on June 25, 2019.
- (b) Period for which remuneration is being decided – Three years beginning June 25, 2014 and ending on June 25, 2017.

### ii) **Remuneration** : As provided in the Special Resolution at Item No. 7 of the above Notice.

### iii) **Nature of duties:**

- a) Mr. Umesh N. Chavan shall, subject to the supervision and control of the Board, be entrusted with substantial powers for day to day management of the Company and shall also perform such duties as, from time to time, be entrusted to him and the business of any one or more of its subsidiary and/or associate companies, including performing duties as requested by the Board from time to time, by serving on the boards of such companies or by any other executive body or any committee of such a Company.
  - b) Mr. Umesh N. Chavan shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
  - c) The terms and conditions of appointment with Mr. Umesh N. Chavan also include clauses pertaining to adherence with the Company's Code of Conduct, including no conflict of interest with the Company, maintenance of confidentiality.
- iv) The appointment may be terminated by either party by giving six months' notice in writing of such termination. Any earlier action from either party should be compensated by that many months pay.
- v) If and when any appointment comes to an end for any reason whatsoever, Mr. Umesh N. Chavan will cease to be an Executive Director, as the case may be. If at any time, Mr. Umesh N. Chavan ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Executive Director, as the case may be, and the appointment shall forthwith terminate.

Mr. Umesh N. Chavan satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment.

The above may be treated as a written Memorandum setting out the terms of appointment of Mr. Umesh N. Chavan under Section 190 of the Act.

Brief resume of Mr. Umesh N. Chavan, nature of his expertise in specific functional areas, names of companies in which he hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors inter-se as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

**STATEMENT PURSUANT TO SECTION II OF PART II (B) (iv) OF SCHEDULE V TO THE COMPANIES ACT, 2013 IS AS UNDER:**

SR. NO.	PARTICULARS	DETAILS
<b>I</b>	<b>GENERAL INFORMATION</b>	
1)	Nature of Industry.	Automobile.
2)	Date or expected date of commencement of Commercial production.	Commercial Production already commenced.
3)	In case of new companies expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not applicable.
4)	Financial performance based on given Indicators.	Standalone - Revenue from operations (Net) for F.Y. 2013-14: ₹. 3969.07 Millions Profit After Tax for F.Y. 2013-14 – ₹. (552.01) Millions
5)	Foreign investments or collaborators, if any.	As on June 5, 2014 Foreign Investments or collaborators as under: 1. Foreign Nationals – holding 11163 equity shares – 0.09% of the total paid up capital of the Company. 2. Foreign Institutional Investors – holding 3,82,000 equity shares – 3.11% of the total paid up capital of the Company. 3. Foreign Corporate Bodies - holding 123462 equity shares – 1% of the total paid up capital of the Company.
<b>II</b>	<b>INFORMATION ABOUT THE APPOINTEE.</b>	Mr. Umesh N Chavan.
1)	Background details.	Mr. Umesh N. Chavan aged 41 years is B.E. (Mechanical Engineering), MBA (Material & Logistic Management) and Executive MBA (Management Programme) from IIM, Ahmedabad. He has experience of around 20 years in the field of spearheading Global Sourcing, Supply Chain and Business Development Functions in Automobile & Engineering. He has worked in senior positions at Tata Motors Limited, Kirloskar Oil Engines Limited and Cummins India limited where he was General Manager of Cummins International Purchasing office, Pune.
2)	Past remuneration.	₹. 24 Lakhs
3)	Recognition or awards.	Certified Six Sigma Green Belt. Won Chairman's Award in 2007 and 2012 for delivering superior results in Cummins. Won Performance Excellence Award for year 2003-04 and 2002-03. Identified as Potential Fast Trackers across the Kirloskar Group of Companies
4)	Job profile and his suitability.	Mr. Umesh N. Chavan is result oriented professional with nearly 20 years of in depth experience & year on year success in spearheading global sourcing, Supply Chain and Business Development Functions in Automobile & Engineering Industry. He is Certified Purchase Manager with excellent business acumen and sound commercial knowledge, and expertise in establishing green field projects from scratch, spearheading turnarounds and improving business margins through strategic changes & cost optimization.  Mr. Umesh N. Chavan has rich experience in developing business for Strategic Business Units and corporate commodities with end to end accountability of expansion of exports from India across the globe viz. USA, UK, Europe, Mexico, Brazil, Turkey, China and Singapore.  Mr. Umesh N. Chavan is conversant with the technicalities of the production and other processes.



5)	Remuneration proposed.	<ol style="list-style-type: none"> <li>1. Salary and Bonus: ₹. 60 Lacs per annum</li> <li>2. Performance / Variable pay-out: Payable at such intervals, as may be decided by the Board of Directors.               <ol style="list-style-type: none"> <li>a. 1% of net profit on new business developed (net sales excluding any taxes, levies and duties) every twelve months from the date of joining. For the purpose this clause, new business developed every twelve months shall mean business received for the new finished products or received from new customers every twelve months as compared to the previous twelve months on standalone basis.</li> <li>b. 10% on cost reduction achieved in material and Direct manufacturing costs every financial year as compared to previous financial years– as may be decided by the Board of Directors on standalone basis.</li> </ol> </li> <li>3. Perquisites and allowances:               <ol style="list-style-type: none"> <li>a. Mediclaim policy : For self and dependents as per the rules of the Company.</li> <li>b. Personal accident insurance : As per the rules of the Company.</li> <li>c. Directors &amp; Officers Liability Insurance - As per the rules of the Company.</li> <li>d. Insurance - Overseas Travelling insurance- As per the rules of the Company.</li> <li>e. Leave travel concession / allowance : For self and family as decided by the Board of Directors from time to time.</li> <li>f. Company car and telephone : Use of the Company's car, chauffeur and telephone for performing official duties as per the rules of the Company.</li> </ol> </li> <li>4. Other benefits :               <ol style="list-style-type: none"> <li>a) Earned / privilege leave: As per the rules of the Company.</li> <li>b) Company's contribution to Provident Fund and superannuation fund : As per the rules of the Company.</li> <li>c) Gratuity : As per the rules of the Company.</li> <li>d) Encashment of leave : As per the rules of the Company.</li> </ol> <p>In case the profits are not adequate, the above mentioned remuneration shall be treated as minimum remuneration and shall be governed by Section II of Part II of Schedule V of the Companies Act, 2013 and Central Government Approval received thereon.</p> </li> </ol>
6)	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of origin).	Commensurate with the nature of industry and size of the Company and its business.
7)	Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any.	Mr. Umesh N. Chavan does not have any pecuniary relation directly or indirectly with the Company or relationship with Managerial personnel.
<b>III</b>	<b>OTHER INFORMATION</b>	
1)	Reason of loss or inadequate profits.	Considering the grim economic scenario all over the world and particularly in Auto Sector in India, the Company being tier I supplier to OEMs is facing financial difficulties and hence has incurred losses during the Financial Year 2013-14.

	2) Steps taken or proposed to be taken for Improvement.	The Company has taken / will take necessary steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, consolidation of operations, enhance value addition to its customer base and maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	Considering the incentives given by the Central Government to automobile industry like reduction in excise duty for automobiles, and various effective steps taken and proposed to be undertaken by the Company, the Company is hopeful to overcome the losses and turnaround to its earlier days.

Mr. Umesh N. Chavan is interested in the Special Resolution set out at Item No. 7 of the Notice, which pertains to his appointment and remuneration payable to him.

The relatives of Mr. Umesh N. Chavan may be deemed to be interested in the Special Resolution set out at Item No. 7 of the Notice, to the extent of their shareholding interest, if any, in the Company. Save and except the above, none of the other Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

The Board commends the Special Resolution set out at Item No. 7 of the Notice for approval by the Members.

**Item No. 8**

The Board of Directors at its meeting held on May 24, 2014 has appointed Mr. Sudhir G. Jog (Membership No. 5599) as a Cost Auditor of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2015 and fixed the remuneration of ₹. 6 Lacs plus applicable taxes and reimbursement of out of pocket expenses at actual, subject to the ratification of the Members at the Annual General Meeting.

Pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 the remuneration of Cost Auditor shall be recommended by the Audit Committee, approved by the Board of Directors and ratified subsequently by the members. Accordingly, it is proposed to obtain the consent of the members to ratify the remuneration and the reimbursement of expenses at actual to the Cost Auditors for the financial year ending March 31, 2015.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 8 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 8 of the Notice for approval by the Members.

**Item No. 9**

The Members of the Company at their 12<sup>th</sup> Annual General meeting held on September 27, 2008 approved by way of Ordinary Resolution under Section 293(1) (d) of Companies Act, 1956 borrowing over and above the aggregate of paid up share capital and free reserves of the Company provided that the total amount of such borrowing together with the amounts already borrowed and outstanding at any point of time shall not be in excess of ₹. 500 Crores (₹. Five Hundred Crores).

Section 180 (1) (c) of the Companies Act, 2013 effective from September 12, 2013 requires that the Board of Directors shall not borrow money in excess of the Company's paid up share capital and free reserves, apart from temporary loans obtained from the Company's bankers in the ordinary course of business, except with the consent of the Company accorded by way of Special Resolution.

As per the General Circular No. 4/2014 dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution with reference to borrowings, passed under Section 293(1)(d) of the Companies Act, 1956, prior to September 12, 2013 will be regarded as sufficient compliance of the requirements of Section 180 of the Companies Act, 2013 for a period of one year from September 12, 2013.

Further pursuant to Section 73, Section 76 read with Companies (Acceptance of Deposits) Rules, 2014 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any other statutory modification(s) or reenactment thereof for the time being in force), the consent of the Members by way of Special Resolution is required to borrow and accept money by way of deposits in excess of the Company's paid up share capital and free reserves.

It is therefore necessary for the members to pass a Special Resolution under Section 180(1) (c) and other applicable provisions of Companies Act, 2013, as set out in Item No. 9 of Notice, to enable to the Board Of Directors to borrow money in excess of the aggregate of paid up share capital and free reserves of the Company. Approval of members is being sought to borrow money upto ₹. 500 Crores (₹. Five Hundred Crores) in excess of the paid up share capital and free reserves of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 9 of the Notice.

By Order of the Board of Directors

For Autoline Industries Limited

(Ashutosh Kulkarni)

Company Secretary and Compliance Officer

June 25, 2014

Registered Office: S. No. 313, 314, 320 to 323 Nanekarwadi,  
Chakan, Taluka- Khed, District-Pune 410501

CIN: L34300PN1996PLC104510 e-mail: [investorservices@autolineind.com](mailto:investorservices@autolineind.com)

# AUTO LINE

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L34300PN1996PLC104510  
 Name of the Company : AUTOLINE INDUSTRIES LIMITED  
 Registered Office : Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan, Tal. Khed, Dist. Pune-410501.  
 Tel: +91-2135-664865/6, Fax: +91-2135-664864/53  
 Email : [investorservices@autolineind.com](mailto:investorservices@autolineind.com)  
 Website : [www.autolineind.com](http://www.autolineind.com)

Name of the Member(s)	
Registered Address	
Email ID	
Folio No / Client ID	
DP ID	

I / We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name : .....  
 Address: .....  
 Email ID: ..... Signature: \_\_\_\_\_ or failing him / her
2. Name : .....  
 Address: .....  
 Email ID: ..... Signature: \_\_\_\_\_ or failing him / her
3. Name : .....  
 Address: .....  
 Email ID: ..... Signature: \_\_\_\_\_ or failing him / her

as my/ our proxy to attend and vote (on a poll) for me/us and on my / our behalf at the 18<sup>th</sup> Annual General Meeting of the Company to be held on Thursday, July 31, 2014 at 2-30 p.m. at Survey Nos. 291 to 295, Nanekarwadi, Chakan, Taluka - Khed, Dist: Pune-410501 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Particulars of Resolutions	Optional #	
		For	Against
<b>Ordinary business</b>			
1	To receive, consider and adopt: (a) the audited financial statements of the Company for the financial year ended March 31, 2014, the reports of the Board of Directors and Auditors thereon; (b) the audited consolidated financial statements of the Company for the financial year ended March 31, 2014.		
2	Reappointment of Mr. M. Radhakrishnan (DIN: 00006752) who retires by rotation.		
3	Appointment of M/s. A.R. Sulakhe & Co. Chartered Accountants (Registration No. 110540) as Auditors in place of retiring Auditors M/s. KVMD S & Associates, Chartered Accountants, Pune (Registration No. 121347W), to hold office from the conclusion of this Annual General Meeting until the conclusion of the twenty third Annual General Meeting and to authorise the Board of Directors to fix their remuneration.		
<b>Special Business</b>			
4	Appointment of Mr. Prakash B. Nimbalkar (DIN: 00109947) as an Independent Director.		
5	Appointment of CA. Vijay K. Thanawala (DIN: 00001974) as an Independent Director.		
6	Appointment of Mr. Umesh N. Chavan (DIN: 06908966) as a Director liable to retire by rotation.		
7	Appointment of Mr. Umesh N. Chavan (DIN: 06908966), Director and Chief Executive Officer as an Executive Director and Chief Executive Officer.		
8	Ratification of the remuneration of the Cost Auditors.		
9	Authority to the Board of Directors pursuant to provisions of Section 180(1)(c) of the Act for borrowing any sum of money including deposits upto ₹. 500 Crores over and above the aggregate of paid up share capital and free reserves of the Company.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Member: \_\_\_\_\_

Signature of Proxy holder(s): \_\_\_\_\_

Notes:

1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**
2. **A Proxy need not be a Member of the Company.**
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Shareholder.
4. # This is only optional. Please put 'X' in the appropriate column against the respective resolutions indicated in the Box. If you leave the 'For', or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.
5. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

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Revenue  
Stamp

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