13th Annual Report
2008-2009

AUTO LINE

Autoline Industries Limited

COVER PAGE- CONCEPT

The cover of 13th Annual Report was developed by “Nirmita”, Industrial and Automotive Design studio, at Autoline Design center in Pune.
In this concept,

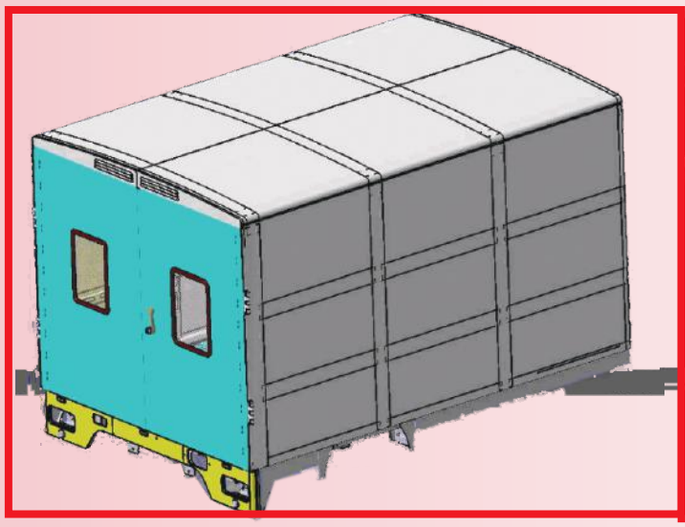
Blue color shows our 'Corporate Identity',
Red depicts our 'Passion', and
Grey inspired from 'Transportation & Materials'

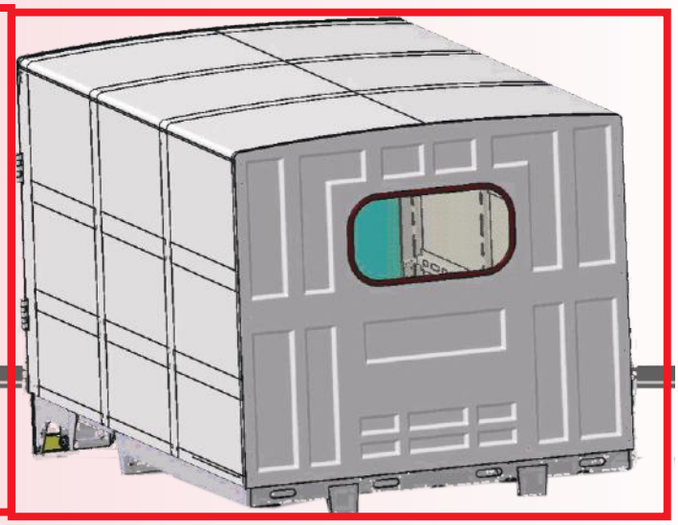
These three elements are integrated to create a 3D space with a moving arrow which shows our futuristic approach.

DESIGN AND DEVELOPMENT DONE AT OUR DESIGN UNIT – AUTOLINE DESIGN SOTWARE LIMITED, PUNE, INDIA

'BAJAJ HOPPER' - FOR BAJAJ AUTO LIMITED

‘CLOSED CONTAINER’ - FOR TATA 'ACE' LOAD CARRIER





FULL CAR BODY ENGINEERING AND PROTO BUILD
PEOPLE MOVER DEMO UNIT

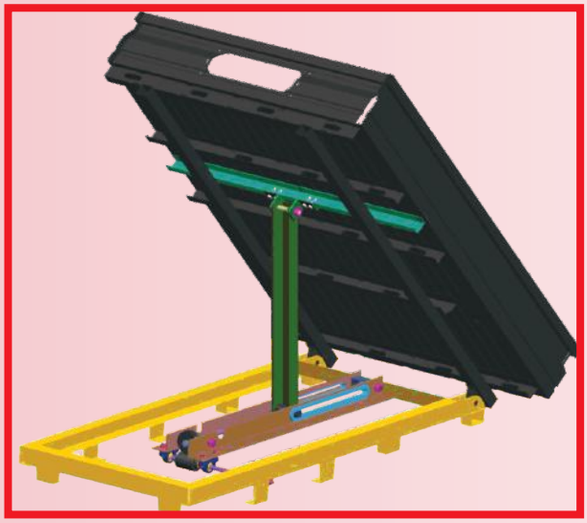
STYLING **- BY SZ DESIGN SRL, ZAGATO, MILAN, ITALY;**
ENGINEERING **- BY DEP AUTOLINE, LLC, DETROIT, USA;**
MANUFACTURED **- AT AUTOLINE, PUNE, INDIA.**

FRONT VIEW

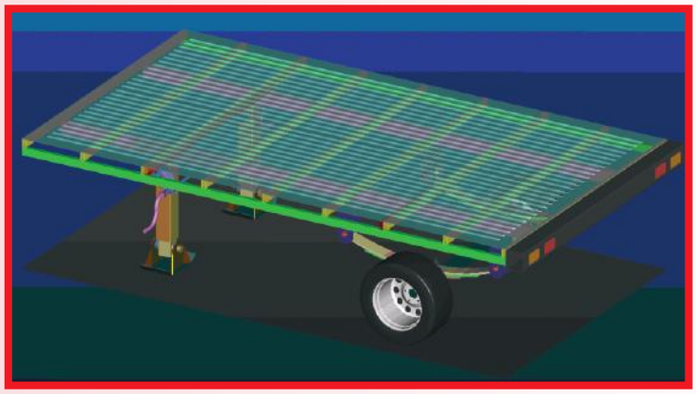
SIDE VIEW

INNOVATIVE PRODUCTS DEVELOPED IN-HOUSE

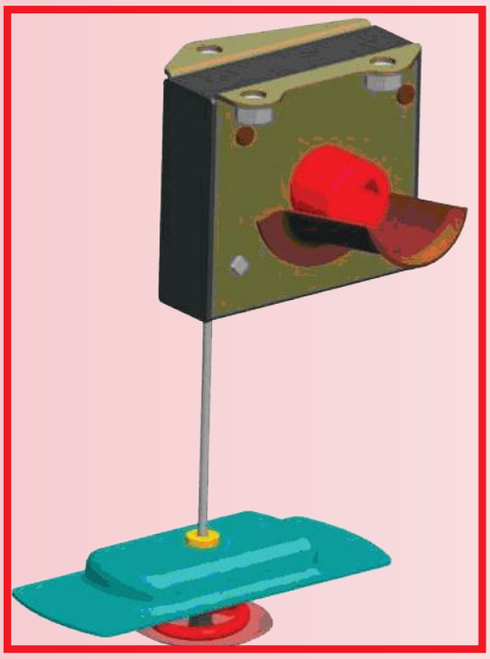
MANUAL TIPPER



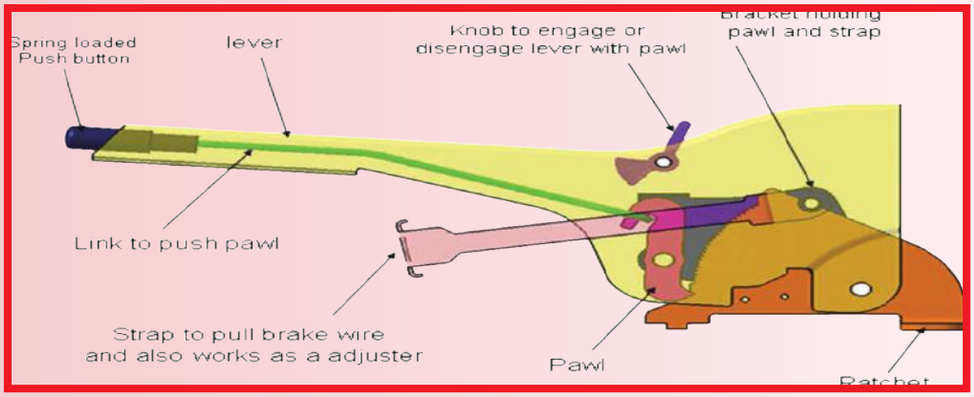
MICRO TRAILER



SPARE TYRE CARRIER WINCH



PARKING BRAKE LEVER



CHAIRMAN EMERITUS	Mr. Vilas V. Lande	
BOARD OF DIRECTORS		
CHAIRMAN	Mr. Gopal G. Patwardhan	*Non-Executive*
MANAGING DIRECTOR &		
CHIEF EXECUTIVE OFFICER	Mr. Shivaji T. Akhade	
JT. MANAGING DIRECTOR	Mr. M. Radhakrishnan	
WHOLETIME DIRECTOR	Mr. Sudhir V. Mungase	
DIRECTORS	CA. Vijay K. Thanawala	*Independent and Non-Executive Directors*
	Mr. Prakash B. Nimbalkar	
	Prof. Abraham Koshy	
	Mr. Ajit B. Karnik	
	Cmde. N. Ravindranathan IN (Retd)	
	Prof. Chandramouli Padmanabhan	
	Mr. Rakesh Jhunjhunwala	*Non-Executive*
	Mr. J. Stanton Dodson	
CHIEF FINANCIAL OFFICER	Mr. Sanjay A. Landge	
COMPANY SECRETARY	Mr. Ashutosh B. Kulkarni	
AUDITORS	Gujar Rawat Sheth & Associates	
	Chartered Accountants, Pune.	
INTERNAL AUDITORS	Ernst and Young Private Ltd, Pune. (till March, 2009)	
	R.M. Rajapurkar & Co., Chartered Accountants, Pune.	
	(w. e. f. 1st April, 2009)	
REGISTERED OFFICE	S. Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan,	
	Taluka- Khed, District- Pune - 410 501.	
BANKERS	1. Citi Bank N.A.	
	2. State Bank of India	
	3. Union Bank of India	
	4. Axis Bank Limited	
	5. Kotak Mahindra Bank Limited	
	6. DBS Bank Limited	
	7. Small Industries Development Bank of India	
	8. Barclays Bank, PLC	
	9. Bank of Baroda	
	10. HDFC Bank Ltd	

PLANT/ UNIT LOCATIONS:

1. S. No. 825, Kudalwadi, Post Chikhali, Taluka -Haveli, Pune - 412 114.
2. T-135, MIDC, Bhosari, Pune – 411 026.
3. S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501.
4. S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.
5. S. No. 613, Mahalunge, Chakan MIDC, Taluka- Khed, Dist - Pune- 410 501.
6. F-II, 24/25, MIDC, Pimpri, Pune- 411 018.
7. E-12-17 (7) & (8), MIDC, Bhosari, Pune – 411 026.
8. Plot Nos. 5, 6 & 8, Sector 11,IIE, TML Vendor Park, SIDKUL, Rudrapur, Uttarakhand – 263 153.
9. 4 & 5th Floor, "Surya Plaza" 214, Navi Peth, L.B.S. Marg, Pune - 411 030.
10. 2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

Foreign unit locations:

11. DEP Autoline, LLC.,USA - 560 Kirts Blvd., Suite 103, Troy, Michigan – 48084, USA.
12. Autoline Industries USA, Inc. - 100, Commerce Street, Butler, IN. - 46721, USA.
13. Union Autoline Spare Parts, LLC. – P.O. Box – 106974, Abu Dhabi, UAE.
14. Koderat Investments Limited – P.O. Box 58184, 2nd Floor, Cassandra Centre, 29, Theklas Lyssioti Street, 3731, Limassol, Cyprus.
15. SZ Design Srl & Zagato Srl - Via Arese, 30 – 20017, Terrazzano di Rho (MI) – Italy.

REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Private Limited

Block 202, 2nd Floor, Akshya Complex, Off Dhole Patil Road, Pune- 411 001.

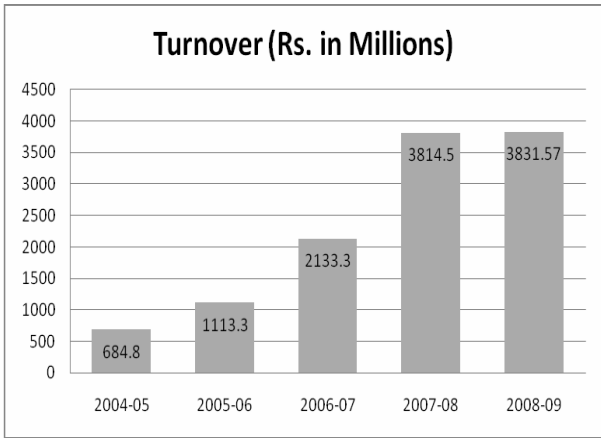
13th Annual General Meeting

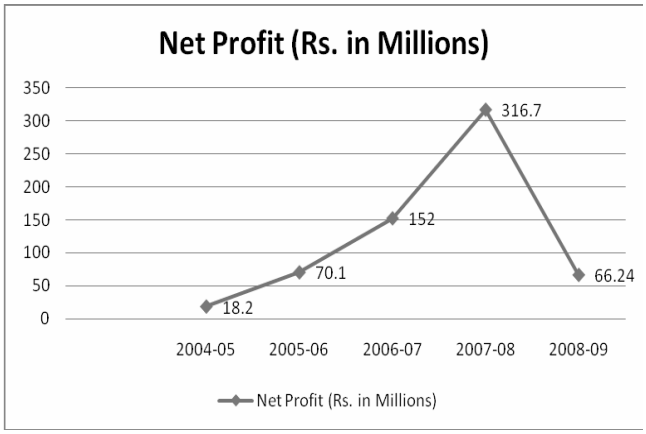
Date : Friday, September 25, 2009

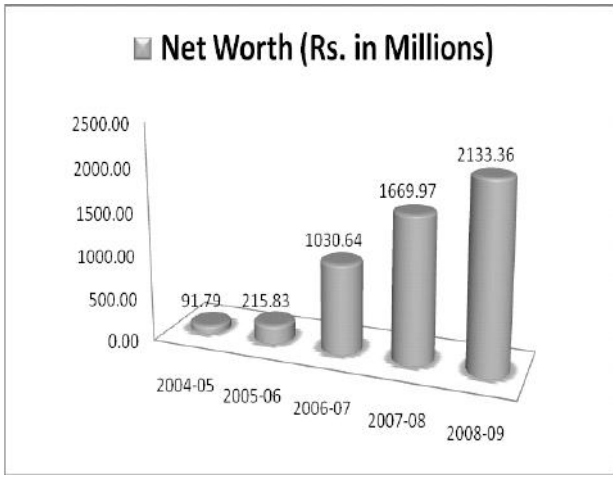
Time : 3.00 p.m.

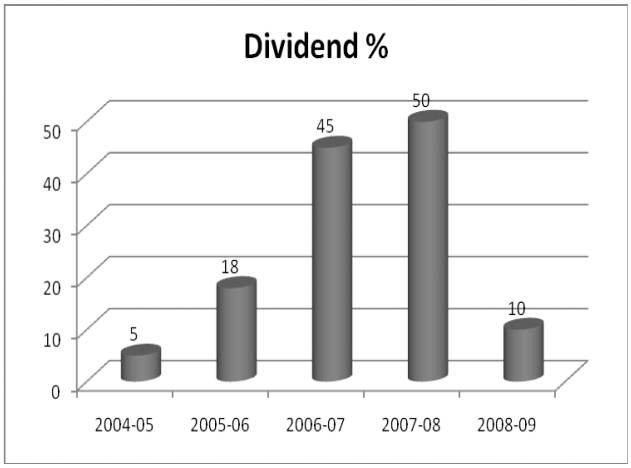
Venue : S. Nos. 291 to 295, Nanekarwadi, Taluka - Khed, Dist-Pune- 410 501

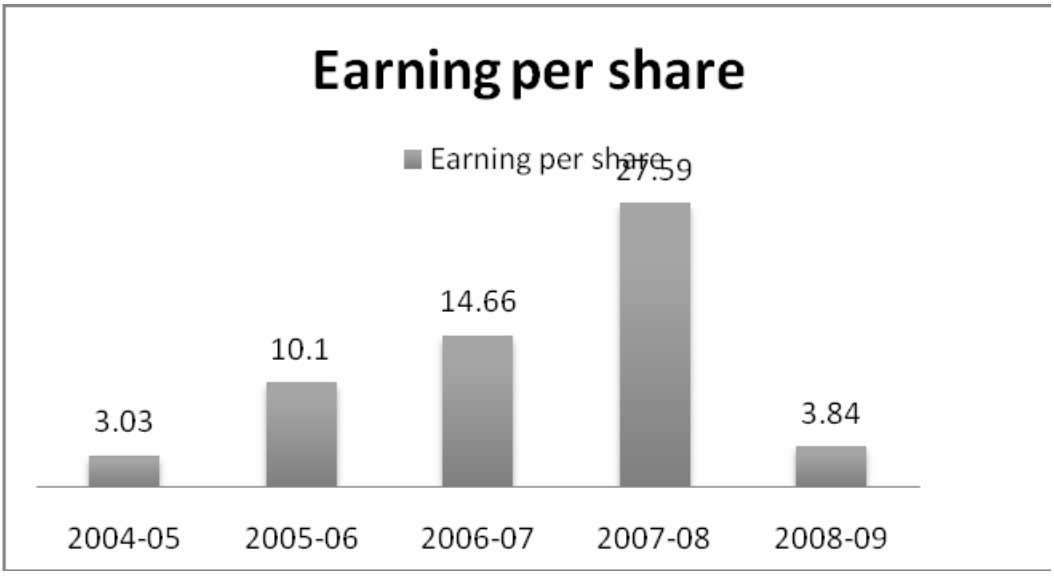
FINANCIAL PERFORMANCE FOR LAST FIVE YEARS











FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS (STANDALONE)

(Rs. in Million)

PARTICULARS	2008-09	2007-08	2006-07	2005-06	2004-05
Net Fixed Assets	2,048.85	1,567.02	877.48	527.28	309.06
Investment	856.22	606.02	58.05	26.54	6.21
Net Current Assets	300.28	421.27	459.54	85.72	74.84
Miscellaneous Expenditure	0.80	-	-	0.65	0.97
TOTAL ASSETS (NET)	**3,206.16**	**2,594.31**	**1,395.07**	**640.19**	**391.08**
Share Capital	122.05	109.55	103.67	81.06	71.75
Share Warrants	27.00	-	-	-	-
Reserves	1,610.80	1,302.00	903.45	134.77	20.04
Secured Loan	870.34	769.55	288.56	312.79	216.91
Unsecured Loan	527.62	376.60	86.60	111.57	82.38
Deferred Tax Liability (Net)	48.34	36.61	12.79	-	-
TOTAL FUND EMPLOYED	**3,206.16**	**2,594.31**	**1,395.07**	**640.19**	**391.08**
INCOME					
Sales (Gross)	2,631.94	3,022.90	2,100.32	1,113.26	684.82
Less: Excise Duty	291.22	356.63	264.95	146.20	90.82
Sales (Net)	2,340.73	2,666.27	1,835.37	967.05	594.00
Other Income	18.66	11.62	1.50	0.96	1.10
Increase/ Decrease of Finished Goods	14.07	(12.02)	2.27	6.10	19.51
TOTAL INCOME	**2,373.45**	**2,665.87**	**1,839.15**	**974.12**	**614.61**
EXPENDITURE					
Raw Material/ Consumables and Others	1,576.63	1,748.60	1,214.38	616.08	461.03
Other Manufacturing Cost	402.24	393.84	292.65	167.80	57.63
Employment Cost	121.86	77.83	30.84	21.12	23.30
Administrative and Selling Cost & Others	54.21	57.47	45.03	53.12	21.56
Preliminary & Miscellaneous Expenses Written off	0.20	-	0.65	0.31	0.32
Interest	71.68	45.26	22.11	17.58	16.22
Depreciation	84.19	43.22	28.45	21.06	14.74
PROFIT BEFORE TAX	**62.44**	**299.65**	**205.05**	**77.04**	**19.80**
TAX					
Income Tax	7.21	33.80	41.40	6.50	1.60
Fring Benefit Tax	0.85	0.72	0.51	0.42	-
Deferred Tax Liability (Net)	8.68	20.78	12.79	-	-
PROFIT AFTER TAX	**45.71**	**244.35**	**150.35**	**70.13**	**18.20**
Balance Brought Forward	292.33	144.37	67.83	16.51	-
Add:- Dividend Equalisation Fund Transferred	-	-	-	-	0.48
APPROPRIATIONS					
PROPOSED & DECLARED DIVIDENDS (including Dividend Distribution Tax)	14.28	71.40	53.81	13.31	2.27
AMT. TRANSFERRED TO GENERAL RESERVE	1.20	25.00	20.00	5.50	-
BALANCE CARRIED TO BALANCE SHEET	**322.56**	**292.33**	**144.37**	**67.83**	**16.42**

Rs. 10 Lacs = Rs. 1 Million

CONTENTS

		Page No.
1	Chairman's Message	10
2	Notice	11
3	Directors' Report	24
4	Management Discussion and Analysis	32
5	Corporate Governance Report	39
6	Standalone Accounts	
	• Auditors' Report	54
	• Balance Sheet	58
	• Profit and Loss Account	59
	• Cash Flow Statement	60
	• Schedules forming part of Balance Sheet and Profit and Loss Account	61
	• Notes to Accounts	68
7	Consolidated Accounts	
	• Auditors' Report	75
	• Balance Sheet	76
	• Profit and Loss Account	77
	• Cash Flow Statement	78
	• Schedules to Accounts	79
	• Notes to Accounts	87
8	Statement pursuant to Section 212 of the Companies Act, 1956	95
9	Details of Balance Sheet and Profit and Loss of subsidiary companies	96
10	Balance Sheet Abstract and Company's General Business Profile	97
11	Attendance slip / proxy form	

CHAIRMAN'S MESSAGE

As we ended the last year, we knew that the year that stood before us would be a challenging one. Interleaved with despair and determination, devastation and defiance the last twelve months have shaken the Automotive Industry far more than most sectors of the economy affected by the financial crisis that continues to dominate the global economic landscape.

At Autoline, the last year has been one of focused consolidation, streamlining operations and controlling the effects of a severe contraction in short term demand, while still continuing to maintain the momentum of new projects and opportunities created by the crisis in the United States and Europe, as well as closer home in India.

Over the course of the last twelve months, your Company shipped its first consignment of products made in India for the US market for our customers – Cummins Power Generation, Minneapolis, USA. Your Company initiated an acquisition of SZ Design SRL an automotive styling marquee name associated with brands like Ferrari, Masseratti, Buggati, Lamborgini, Aston Martin and Bentley amongst a host of others. Your Company also absorbed the US mechanical assemblies business of DriveSol Inc. into its manufacturing plant in Butler Indiana, thereby widening the product portfolio and client base of our operations in the United States, to include pedal systems, hinges and other small mechanical assemblies.

Together these new initiatives have enabled your Company to significantly strengthen its scope of activities across the value chain, while augmenting its global footprint.

Over the course of the last year, your Company has filed 4 US patents in a range of product areas including small mechanical assemblies and chassis systems.

The brisk pace of growth achieved is reflected in our financial performance and over the last two years your Company's revenue and profit after tax has quadrupled.

The effects of the liquidity crisis and the sudden contraction in demand during the end of second and third quarter of the year affected our sales growth trajectory, while the fluctuation in raw material prices coupled by the shock of reduced capacity utilization in the short term affected our bottom line much like others in the sector. The market situation improved significantly on the domestic front in the fourth quarter, however as a result, for Financial Year 09, we recorded a consolidated turnover of Rs. 3831.57 Millions as compared to Rs. 3814.50 Millions in the previous period. Profit before tax for the year stood at Rs. 88.93 Millions as compared to Rs. 387.69 Millions, while profit after tax decreased to Rs. 66.24 Millions as compared to Rs. 316.73 Millions in the previous year.

In view of the reduced bottom-line and to conserve capital, in a potentially liquidity constrained market, the Board has recommended a decrease in the dividend payment to 10% as against 50% in the previous year.

While the last year was challenging for your Company, like most others in the industry, we are more optimistic about the future, having taken a number of measures to control costs, improve efficiencies and enhance value addition to our customer base. We believe your Company has significant potential to not only weather the challenges it may face in the short-run, but also to take advantage of the opportunities resulting of a morphed competitive environment.

I would like to take this opportunity to express my gratitude to the Board of Directors of Autoline, its subsidiaries and associates, bankers, employees, suppliers and the shareholders for their unstinted support and the confidence they have placed in our ability to make Autoline a great success.

(Gopal Patwardhan)
Chairman

NOTICE

NOTICE is hereby given that the Thirteenth Annual General Meeting of the Members of Autoline Industries Limited will be held on Friday, 25th September, 2009 at 3.00 p.m. at S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2009 and the Profit & Loss Account for the financial year ended 31st March, 2009 together with the Reports of the Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2009;
3. To appoint a Director in place of Mr. Gopal G. Patwardhan, who retires by rotation, and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Mr. Prakash B. Nimbalkar, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Mr. Ajit B. Karnik, who retires by rotation and being eligible, offers himself for re-appointment;
6. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS:

7. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** Prof. Chandramouli Padmanabhan who was appointed by the Board of Directors as an Additional Director of the Company with effect from 30th September, 2008 and who holds office upto the date of this Annual General Meeting of the Company, in terms of Section 260 of the Companies Act, 1956 ("the Act") and in respect of whom the Company has received a notice in writing from a Member under Section 257 of the Act, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company liable to retire by rotation."

8. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**

   "RESOLVED THAT in pursuance of resolution passed at the Tenth Annual General Meeting held on 27th September, 2006 and in accordance with the provisions of Section 198, 269, 309 & 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for payment of remuneration of Rs. 36,00,000/- per annum or Rs. 3,00,000/- per month to Mr. Shivaji T. Akhade, Managing Director for the remainder period of his contract of appointment starting from 1st October, 2009 to 30th September, 2011.

   RESOLVED FURTHER THAT notwithstanding anything contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Shivaji T. Akhade, Managing Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of Rs. 36,00,000/- per annum or Rs. 3,00,000/- per month and shall be governed by and be subject to the provisions contained in Schedule XIII to the Companies Act, 1956.

   RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling.

   RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

9. **To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution:**

   "RESOLVED THAT in pursuance of resolution passed at the Tenth Annual General Meeting held on 27th September, 2006 and in accordance with the provisions of Section 198, 269, 309 & 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for payment of remuneration of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month to Mr. M. Radhakrishnan, Jt. Managing Director for the remainder period of his contract of appointment starting from 1st October, 2009 to 30th September, 2011.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. M. Radhakrishnan, Jt. Managing Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month and shall be governed by and be subject to the provisions contained in Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as Special Resolution::

"RESOLVED THAT in pursuance of resolution passed at the Tenth Annual General Meeting held on 27th September, 2006 and in accordance with the provisions of Section 198, 269, 309 & 310 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force) read with Schedule XIII to the said Act, and in conformity with the provisions of Articles of Association of the Company, consent of the members be and is hereby accorded for payment of remuneration of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month to Mr. Sudhir V. Mungase, Wholetime Director for the remainder period of his contract of appointment starting from 1st October, 2009 to 30th September, 2011.

RESOLVED FURTHER THAT notwithstanding anything contained herein above, where in any financial year, during the currency of his appointment, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Sudhir V. Mungase, Wholetime Director as a salary, perquisites, commission and any other allowances shall not exceed the ceiling limit of Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month and shall be governed by and be subject to the provisions contained in Schedule XIII to the Companies Act, 1956.

RESOLVED FURTHER THAT in the event of any statutory amendment or modification or relaxation by the Central Government to Schedule XIII to the Companies Act, 1956, the Board of Directors be and is hereby authorized to vary or increase the remuneration, including salary, commission, perquisites, allowances etc., within such prescribed limit or ceiling.

RESOLVED FURTHER THAT the Board of Directors or a Committee thereof of the Company, be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution."

By Order of the Board of Directors

Place: Pune **(Ashutosh Kulkarni)**

Date: 29th July, 2009 **Company Secretary**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. THE PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
3. Proxies submitted on behalf of limited companies, societies, bodies corporate etc. must be supported by appropriate resolution or authority as applicable.
4. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the meeting and details under Clause 49 of listing agreement with the Stock Exchanges in respect of Directors seeking appointment/ re-appointment at the Annual General Meeting are annexed hereto.
5. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 19th September, 2009 to Friday, 25th September, 2009 (both days inclusive).
6. Members holding shares in Dematerialised form are requested to intimate any change in their address, bank details, ECS Mandates, nominations, power of attorney, names etc. to their respective Depositories Participants and those holding shares in physical forms are requested to intimate the above said changes to the Company's Registrar and Share Transfer Agents, LINK INTIME INDIA PVT. LTD., Block No. 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune 411001.
7. Members are requested to quote client ID and DP ID numbers in respect of shares held in dematerialised form and ledger folio number in respect of shares held in physical form in all correspondence.
8. Members/ Proxies are requested to bring Annual Report and attendance slip duly filled in.
9. Members holding shares in multiple folios in the identical order of names are requested to consolidate their holdings into one folio and intimate the same to our R&T Agents.
10. Members desirous of getting any information about the accounts and operations of the Company are requested to address their queries to the Company Secretary at least ten days in advance of the meeting so that the information required can be made readily available at the meeting to the extent possible.
11. Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 25th September, 2009 to those persons or their mandate :

    a) whose names appear as Beneficial Owners as at the end of the business hours on Friday, 18th September, 2009 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

    b) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/ Registrar and Share Transfer Agents on or before Friday, 18th September, 2009.
12. To avoid loss of dividend warrants in transit and undue delay in respect of receipt of dividend warrants, the Company has provided a facility to the Members for remittance of dividend through the Electronic Clearing System (ECS). The ECS facility is available at locations identified by Reserve Bank of India from time to time and covers most of the cities and towns. Members holding shares in physical form and desirous of availing this facility are requested to contact the Company's Registrar and Transfer Agents.
13. Documents referred to in any of the items of the notice are available for inspection at the registered office of the Company upto 25th September, 2009 during business hours of the Company.
14. Unclaimed Dividends :

    The dividends which remain unclaimed/ un-encashed 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.

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-encashed are as under:

Date of declaration of dividend	Date of dividend warrant	Dividend for the year	Dividend Rs. Per share	Due date of the proposed transfer to the Central Government
16.02.2005 (Interim)	16.02.2005	2004-05	0.50	15/02/2012
30.01.2006 (Interim)	31.01.2006	2005-06	1.00	29/01/2013
27.09.2006	18.10.2006	2005-06	0.80	26/09/2013
21.02.2007 (Interim)	16.03.2007	2006-07	2.50	20/02/2014
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

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 amended provisions of Section 205(C) of the Companies Act, 1956.

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

By Order of the Board of Directors

Place: Pune **(Ashutosh Kulkarni)**

Date: 29th July, 2009 **Company Secretary**

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT AS REQUIRED BY SECTION 173 OF THE COMPANIES ACT, 1956 AND CLAUSE 49 OF LISTING AGREEMENT.

ITEM NO. 7

Prof. Chandramouli Padmanabhan was appointed as an Additional Director of the Company on 30th September, 2008. In terms of provisions of Section 260 of the Companies Act, 1956, Prof. Chandramouli Padmanabhan holds office up to the date of forthcoming Annual General Meeting of the Company.

A brief resume of Prof. Chandramouli Padmanabhan and the nature of his expertise in specific functional areas and names of companies in which he holds directorships are given below:

Name	Prof. Chandramouli Padmanabhan
Date of Birth	05.12.1965
Qualification	1. Ph. D. The Ohio State University, Columbus, Ohio. 2. M. S. M. E. , The Ohio State University, Columbus, Ohio. 3. B. Tech, Mechanical Engineering, Indian Institute of Technology, Madras.
Expertise in specific functional areas	1. Professor Department of Mechanical Engineering, Indian Institute of Technology, Madras, Chennai 2. Guided 5 PhD/ 14 M.S. (Thesis)/ 50 M. Tech students 3. Guided 4 PhD and 1 M. S. Student 4. Published nearly 80 papers in Journals and Conference Proceedings. 5. Carried out sponsored research with several organizations: ISRO/ IGCAR/NRB/ MHRD/ DRDO (CVRDE). 6. Noise and Vibration consultant for many industries.
Directorship in other companies	Emmeskay Systems Solutions Pvt. Ltd.
Committee membership/Chairmanship held across public companies	Nil.
Shares held in the Company and percentage to the paid up capital	Nil.

The Company has received notice under Section 257 of the Companies Act, 1956 for appointment of Prof. Chandramouli Padmanabhan, as a Director of the Company.

Prof. Chandramouli Padmanabhan, is not disqualified from being appointed as a Director under Section 274 of the Companies Act, 1956.

The Board commend passing of the resolution as an Ordinary Resolution as set out in Item No. 7 of the accompanying notice.

Except Prof. Chandramouli Padmanabhan none of the Directors of the Company are in any way concerned or interested in the above resolution.

ITEM NO. 8.

The Board of Directors of the Company at its meeting held on 4th August, 2006 re-appointed Mr. Shivaji T. Akhade as the Managing Director of the Company for a period of five years with effect from 1st October, 2006 to 30th September, 2011 and determined revised remuneration of Mr. Shivaji T. Akhade for a period of three years starting from 1st October, 2006 to 30th September, 2009 within the limits specified in Schedule XIII to the Companies Act, 1956. The re-appointment and revision of remuneration was approved by the members by way of Special Resolution passed at the 10th Annual General Meeting of the Company held on 27th September, 2006.

Considering the present economic scenario in general and Automotive Industry in particular and on recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 29th July, 2009 decided to pay existing remuneration i.e. Rs. 3,00,000 per month or Rs. 36,00,000 per annum to Mr. Shivaji T. Akhade for the remainder period of

contract of appointment starting from 1st October, 2009 to 30th September, 2011, without any upward revision, inter-alia on, the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2006 to 30th September 2011. (b) Remainder period for which remuneration is being decided – For the period commencing from 1st October, 2009 to 30th September, 2011.

ii) **Nature of duties**:

Mr. Shivaji T. Akhade shall, subject to the supervision and control of the Board, be entrusted with substantial powers of Management 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.

iii) **A. Remuneration:** Proposed Salary Rs. 3,00,000/- per month (up to a maximum of Rs 3,00,000/- per month) with annual increments effective as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time for the remainder period of contract of appointment starting from 1st October, 2009 to 30th September, 2011.

B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Shivaji T. Akhade, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended from time to time.

iv) The terms and conditions of appointment with Mr. Shivaji T. Akhade also include clauses pertaining to adherence with the Autoline's Code of Conduct, including no conflict of interest with the Company, maintenance of confidentiality.

v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amount payable to Mr. Shivaji T. Akhade, in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard and subject to such approvals as may be required.

vi) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice.

vii) If and when any appointment comes to an end for any reason whatsoever, Mr. Shivaji T. Akhade will cease to be the Managing Director, as the case may be. If at any time, Mr. Shivaji T. Akhade ceases to be a Director of the Company for any cause whatsoever, he shall cease to be the Managing Director, as the case may be, and the appointment shall forthwith terminate. In compliance with the provisions of Sections 309, 310, 311 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

This may be treated as an abstract under the provisions of Section 302 of the Companies Act, 1956 between the Company and Mr. Shivaji T. Akhade required to be circulated to the members

The Board commend passing of the said resolution as a Special Resolution.

Except Mr. Shivaji T. Akhade, none of the Directors of the Company are in any way concerned or interested in Item No. 8 of the accompanying Notice.

STATEMENT PURSUANT TO SECTION II OF PART II (B) (iv) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS UNDER:

SR. NO.	PARTICULARS	DETAILS
I	**GENERAL INFORMATION**	
	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.	Turnover for 2008-09: Rs. 2631.94 Millions Profit After Tax – Rs.45.71 Millions.
	5) Export performance and net foreign exchange collaborations.	Rs. 7.35 Millions for 2008-09 NIL.
	6) Foreign investments or collaborators, if any.	As on 30th June, 09 Foreign Direct Investments by - 1. T. S. India Holding L.L.C- 8.19%. 2. Duke Indian Venture II. L.L.C.- 5.08%. 3. Duke Equity Partners, Inc – 0.72%. 4. Other Foreign Institutional Investors- Emerging India Focus Funds - 1.64% . Copthall Mauritius Investment Ltd – 0.16%. Merrill Lynch Capital Markets Espana S.A. S.V. - 0.02% .
II	**INFORMATION ABOUT THE APPOINTEE.**	Mr. Shivaji T. Akhade.
	1) Background details.	Mr. Shivaji Tukaram Akhade, aged 43 years, is a commerce graduate having long and varied experience in trading as well as manufacturing. Co-founder, Promoter and appointed as Managing Director since inception of the Company.
	2) Past remuneration.	Rs. 3,00,000/- p.m.
	3) Recognition or awards.	'Pimpri Chinchwad Udyog Bhushan Purskar' from Annasaheb Magar Foundation.
	4) Job profile and his suitability.	Managing Director of the Company- Guidance to the professionals who manage the marketing function. Mr. Shivaji T. Akhade has been providing the vision and the direction to the Company since inception. Although professionals have been recruited from the Automobile Industry for carrying out the various production activities, Mr. Shivaji T. Akhade is fully conversant with the technicalities of the production process as a result of his experience in the early days of the firm when he himself looked after the responsibility of production.

	5) Remuneration proposed.	Rs.3,00,000/- p.m.
	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.	Promoter, Shareholder and holding 5,61,181 equity shares – 4.60% of total paid up capital of the Company. Relationship with Managerial personnel- Mr. Sudhir V. Mungase is Mr. Shivaji T. Akhade's wife's brother.
III	**OTHER INFORMATION.**	
	1) Reason of loss or inadequate profits.	Global recession and in particular in automobile sector, the effects of the liquidity crisis and the sudden contraction in demand affected Company's sales growth trajectory, while the fluctuation in raw material prices coupled by the shock of reduced capacity utilization resulted in your Company incurring inadequate profits.
	2) Steps taken or proposed to be taken for Improvement.	The Company has taken steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to our customer base, maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	In the financial year 2010, in light of good demand and order book position and with better operational efficiency, the Company is hopeful to generate good revenues.

ITEM NO. 9.

The Board of Directors of the Company at its meeting held on 4th August, 2006 re-appointed Mr. M. Radhakrishnan as Jt. Managing Director of the Company for a period of five years with effect from 1st October, 2006 to 30th September, 2011 and determined revised remuneration of Mr. M. Radhakrishnan for a period of three years starting from 1st October, 2006 to 30th September, 2009 within the limits specified in Schedule XIII to the Companies Act, 1956. The re-appointment and revision of remuneration was approved by the members by way of Special Resolution passed at the 10th Annual General Meeting of the Company held on 27th September, 2006.

Considering the present economic scenario in general and Automotive Industry in particular and on recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 29th July, 2009 decided to pay existing remuneration i.e. Rs. 2,50,000 per month or Rs. 30,00,000 per annum to Mr. M. Radhakrishnan for the remainder period of contract of appointment starting from 1st October, 2009 to 30th September, 2011, without any upward revision, inter-alia on, the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2006 to 30th September 2011. (b) Remainder period for which remuneration is being decided – For the period commencing from 1st October, 2009 to 30th September, 2011.

ii) **Nature of duties**:

Mr. M. Radhakrishnan shall devote his whole time and attention to the business 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.

iii) **A. Remuneration:** Proposed Salary Rs. 2,50,000/- per month (up to a maximum of Rs 2,50,000/- per month) with annual increments effective as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid

down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time for the remainder period of contract of appointment starting from 1st October, 2009 to 30th September, 2011.

B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. M. Radhakrishnan, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended from time to time.

iv) The terms and conditions of appointment of Mr. M. Radhakrishnan also include clauses pertaining to adherence with the Autoline's Code of Conduct, including no conflict of interest with the Company, maintenance of confidentiality.

v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amount payable to Mr. M. Radhakrishnan, in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard and subject to such approvals as may be required.

vi) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice.

vii) If and when any appointment comes to an end for any reason whatsoever, Mr. M. Radhakrishnan will cease to be the Jt. Managing Director, as the case may be. If at any time, Mr. M. Radhakrishnan ceases to be a Director of the Company for any cause whatsoever, he shall cease to be Jt. Managing Director, as the case may be, and the appointment shall forthwith terminate. In compliance with the provisions of Sections 309, 310, 311 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

This may be treated as an abstract under the provisions of Section 302 of the Companies Act, 1956 between the Company and Mr. M. Radhakrishnan required to be circulated to the members

The Board commend passing of the said resolution as a Special Resolution.

Except Mr. M. Radhakrishnan none of the Directors of the Company are in any way concerned or interested in Item No. 9 of the accompanying Notice.

STATEMENT PURSUANT TO SECTION II OF PART II (B) (iv) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS UNDER:

SR. NO.	PARTICULARS	DETAILS
I	**GENERAL INFORMATION**	
	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.	Turnover for 2008-09: Rs. 2631.94 Millions. Profit After Tax – Rs.45.71 Millions.
	5) Export performance and net foreign exchange	Rs. 7.35 Millions for 2008-09
	Collaborations.	NIL.
	6) Foreign investments or collaborators, if any.	As on 30th June, 2009 Foreign Direct Investments by - 1. T. S. India Holding L.L.C- 8.19%. 2. Duke Indian Venture II. L.L.C.- 5.08% 3. Duke Equity Partners, Inc – 0.72%

		4. Other Foreign Institutional Investors- Emerging India Focus Funds - 1.64% Copthall Mauritius Investment Ltd – 0.16% Merrill Lynch Capital Markets Espana S.A. S.V. - 0.02%
II	**INFORMATION ABOUT THE APPOINTEE**	Mr. M. Radhakrishnan
	1) Background details.	Mr. M. Radhakrishnan aged 55 years is Co founder, Promoter & was appointed as Executive Director of the Company from 03rd September, 2001. He was reappointed as Jt. Managing Director w.e.f. 4th August, 2006. Mr. M. Radhakrishnan has done B.Sc. (Stat), LLB, DBM and CAIIB and has experience of around 24 years in the field of Development Banking and Finance having worked in various areas of project Finance and Rehabilitation of Industries in Industrial Development Bank of India (IDBI), and Small Industries Development Bank of India (SIDBI).
	2) Past remuneration.	Rs. 2,50,000/- p.m.
	3) Recognition or awards.	a) 'Best Entrepreneurial Banker Award' for 1996-97 by Entrepreneurs International. b) 'Business Excellence Award' by Rotary Club of Chinchwad, Pune in 2008-09. c) 'Best Entrepreneur of the year 2009' Award by INDCOM.
	4) Job profile and his suitability.	Jt. Managing Director. Looks after Strategic Planning and Financial activities of the Company.
	5) Remuneration proposed.	Rs.2,50,000/- p.m.
	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.	Promoter, Shareholder & holding 52,853 equity shares – 0.43% of total paid up capital of the Company. Wife- Mrs. Rema Radhakrishnan - Promoter and holding 6,22,217 equity shares – 5.10 % of total paid up capital of the Company.
III	**OTHER INFORMATION**	
	1) Reason of loss or inadequate profits.	Global recession and in particular in automobile sector, the effects of the liquidity crisis and the sudden contraction in demand affected Company's sales growth trajectory, while the fluctuation in raw material prices coupled by the shock of reduced capacity utilization resulted in your Company incurring inadequate profits.
	2) Steps taken or proposed to be taken for Improvement.	The Company has taken steps to reduce

		costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to our customer base, maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	In the financial year 2010, in light of good demand and order book position and with better operational efficiency, the Company is hopeful to generate good revenues.

ITEM NO. 10

The Board of Directors of the Company at its meeting held on 4th August, 2006 re-appointed Mr. Sudhir V. Mungase, as Wholetime Director of the Company for a period of five years with effect from 1st October, 2006 to 30th September, 2011 and determined revised remuneration of Mr. Sudhir V. Mungase for a period of three years starting from 1st October, 2006 to 30th September, 2009 within the limits specified in Schedule XIII to the Companies Act, 1956. The re-appointment and revision of remuneration was approved by the members by way of Special Resolution passed at the 10th Annual General Meeting of the Company held on 27th September, 2006.

Considering the present economic scenario in general and Automotive Industry in particular and on recommendation of the Remuneration Committee, the Board of Directors at its meeting held on 29th July, 2009 decided to pay existing remuneration i.e. Rs. 2,50,000 per month or Rs. 30,00,000 per annum to Mr. Sudhir V. Mungase for the remainder period of contract of appointment starting from 1st October, 2009 to 30th September, 2011, without any upward revision, inter-alia on, the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2006 to 30th September 2011. (b) Remainder period for which remuneration is being decided – For the period commencing from 1st October, 2009 to 30th September, 2011.

ii) **Nature of duties**:

Mr Sudhir V. Mungase shall devote his whole time and attention to the business 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.

iii) **A. Remuneration:** Proposed Salary Rs. 2,50,000/- per month (up to a maximum of Rs 2,50,000/- per month) with annual increments effective as may be decided by the Board, based on merit and taking into account the Company's performance; incentive remuneration, if any, and/or commission based on certain performance criteria to be laid down by the Board; benefits, perquisites and allowances as may be determined by the Board from time to time for the remainder period of contract of appointment starting from 1st October, 2009 to 30th September, 2011.

B. Minimum Remuneration: Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Sudhir V. Mungase, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances, as specified above.

The aggregate of the remuneration as aforesaid shall be within the maximum limits as stipulated under Sections 198, 309 and all other applicable provisions, if any, of the Companies Act, 1956 read with Schedule XIII to the Act, as amended from time to time.

iv) The terms and conditions of appointment of Mr. Sudhir V. Mungase also include clauses pertaining to adherence with the Autoline's Code of Conduct, including no conflict of interest with the Company, maintenance of confidentiality.

v) The terms and conditions of the said appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum amount payable to Mr. Sudhir V. Mungase, in accordance with the provisions of the Companies Act, 1956 or any amendments made hereafter in this regard and subject to such approvals as may be required.

vi) This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice.

vii) If and when any appointment comes to an end for any reason whatsoever, Mr. Sudhir V. Mungase will cease to be the Wholetime Director, as the case may be. If at any time, Mr. Sudhir V. Mungase ceases to be a Director of the Company for any cause whatsoever, he shall cease to be Wholetime Director, as the case may be, and the

appointment shall forthwith terminate. In compliance with the provisions of Sections 309, 310, 311 and other applicable provisions of the Act read with Schedule XIII to the Act, the terms of remuneration specified above are now being placed before the Members for their approval.

This may be treated as an abstract under the provisions of Section 302 of the Companies Act, 1956 between the Company and Mr. Sudhir V. Mungase required to be circulated to the members.

The Board commend passing of the said resolution as a Special Resolution.

Except Mr. Sudhir V. Mungase none of the Directors of the Company are in any way concerned or interested in Item No. 10 of the accompanying Notice.

STATEMENT PURSUANT TO SECTION II OF PART II (B) (iv) OF SCHEDULE XIII TO THE COMPANIES ACT, 1956 IS AS UNDER:

SR. NO.	PARTICULARS	DETAILS
I	**GENERAL INFORMATION**	
	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.	Turnover for 2008-09: Rs. 2631.94 Millions Profit After Tax – Rs.45.71 Millions.
	5) Export performance and net foreign exchange Collaborations.	Rs. 7.35 Millions for 2008-09. NIL
	6) Foreign investments or collaborators, if any.	As on 30th June, 2009 Foreign Direct Investments by - 1. T. S. India Holding L.L.C- 8.19%. 2. Duke Indian Venture II. L.L.C.- 5.08% 3. Duke Equity Partners, Inc – 0.72% 4. Other Foreign Institutional Investors- Emerging India Focus Funds - 1.64% Copthall Mauritius Investment Ltd - 0.16% Merrill Lynch Capital Markets Espana S.A. S.V. - 0.02%
II	**INFORMATION ABOUT THE APPOINTEE**	Mr. Sudhir V. Mungase
	1) Background details.	Mr. Sudhir V. Mungase aged 34 years is Co-founder, Promoter & Wholetime Director of the Company since inception. He was reappointed as a Wholetime Director w.e.f. 4th August, 2006.
	2) Past remuneration.	Rs. 2,50,000/- p.m.
	3) Recognition or awards.	Not applicable.
	4) Job profile and his suitability.	Wholetime Director. Associated with manufacturing operations in the Company for the past 12 years and has acquired experience in Sheet Metal Press Operations. He looks after the production and maintenance under the direct supervision and guidance of the Managing Director.
	5) Remuneration proposed.	Rs.2,50,000/- p.m.

	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.	Promoter, Shareholder & holding 5,58,458 equity shares –4.58% of total paid up capital of the Company. Relationship with Managerial personnel- Brother in Law of Mr. Shivaji T. Akhade.
III	**OTHER INFORMATION**	
	1) Reason of loss or inadequate profits	Global recession and in particular in automobile sector, the effects of the liquidity crisis and the sudden contraction in demand affected Company's sales growth trajectory, while the fluctuation in raw material prices coupled by the shock of reduced capacity utilization resulted in your Company incurring or inadequate profits.
	2) Steps taken or proposed to be taken for Improvement	The Company has taken steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to our customer base, maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms	In the financial year 2010, in light of good demand and order book position and with better operational efficiency, the Company is hopeful to generate good revenues.

By Order of the Board Of Directors

(Ashutosh Kulkarni)

Company Secretary

Place: Pune

Date: 29th July, 2009.

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Dear Member(s),

Your Directors are pleased to present their Thirteenth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2009.

FINANCIAL RESULTS :

The financial highlights for the year under review compared to the previous financial year are given below:

(Rs. in Millons except EPS data)

PARTICULARS	Standalone		Consolidated	
	31.03.2009	31.03.2008	31.03.2009	31.03.2008
Income	**2631.94**	3022.90	**3831.57**	3814.50
EBIDTA	**218.31**	388.13	**290.56**	491.14
Less : Interest & Financing Costs	**71.68**	45.26	**80.25**	50.17
Less : Depreciation	**84.19**	43.22	**121.38**	53.28
Profit Before Tax	**62.44**	299.65	**88.93**	387.69
Provision for Tax	**16.73**	55.30	**22.69**	70.97
Profit After Tax but before deducting minority interest (PAT)	**45.71**	244.35	**66.24**	316.73
Less : Minority Interest	—-	—-	**19.40**	14.53
Profit Attributable to group	—-	—-	**46.84**	302.20
Earnings per Share (Basic) (in Rs.)	**3.75**	22.31	**3.84**	27.59
Earnings per Share (Weighted Average) (in Rs.)	**3.90**	23.24	**3.99**	28.74

DIVIDEND:

The Board of Directors has recommended a dividend of Re. 1.00 per equity share (10%) amounting to Rs. 14.28 Millions including dividend tax, [Previous Year: Rs. 5.00 per equity share (50%) amounting to Rs.71.40 Millions including dividend tax].

PERFORMANCE REVIEW:

- Sales increased by 0.44 % from Rs. 3814.50 Millions to Rs. 3831.57 Millions.
- Net sales (net of excise duty) grew by 2.69 % to Rs. 3504.57 Millions.(Previous year 3412.77 Millions)
- Operating EBIDTA (Earnings Before Interest, Taxes, Depreciation and Amortization) decreased from Rs 491.14 Millions to Rs. 290.56 Millions.
- Profit Before Tax (PBT) reduced from Rs. 387.69 Millions in 2007-08 to Rs 88.93 Millions in 2008 – 09, due to slowdown in the economy and recessionary conditions.
- Profit After Tax (PAT) decreased from Rs. 302.20 Millions in 2007-08 to Rs. 46.84 Millions in 2008 – 09 mainly because of higher interest and depreciation.

PROGRESS:

AWARD:

In October, 2008 your Company received "Best Performance Award for Excellence in Cost effectiveness in sheet metal business" at the National Vendor meet of Tata Motors Limited.

i. Manufacturing Unit II – Chakan, India :

With the addition of the 2000 Ton press in July, 2008 the Press Shop has become one of the most sophisticated lines in Pune region, capable of delivering any sheet metal part, including large aesthetic parts, like – roof of vehicle, large doors, sides etc. and other components like Floors of Vehicles to the OEMs, including the new OEMs from abroad like General Motors, Volkswagen, Daimler Chrysler India Private Ltd. etc. coming to Chakan region.

The State of Art Tool Room on an enhanced built-up area of 60,000 sq. fts. on 2 Acres of land has been commissioned. The full fledged Commercial Tool Room has started commercial production from June, 2008. This Tool Room is

capable of manufacturing large dies with Bed size upto 4.5 Meters of world class quality with support from the Design team. New works from OEMs including large parts like skids each weighing 387 Kgs for exports have been taken up. Research & Development and Value Engineering has also received further boost.

ii. Manufacturing Unit III– Mahalunge – Chakan, India :

Your Company has acquired 14,374 sq. meters of plot at S. No. 613, Mahalunge, Chakan, Pune and constructed factory shed by expanding its manufacturing operations. From May, 2008 this unit has manufacturing facilities for Silencers, Exhaust systems etc. These products are mainly supplied to TATA Motors Ltd. Further, the Company proposes to manufacture here jacks for Light and Heavy Commercial Vehicles along with final painting. The Front Frame Assembly for TATA MARCOPOLO Buses is supplied from here to Dharwad (Karnataka).

iii. Manufacturing Unit at Plot No. 8 Rudrapur –Uttarakhand, India:

Your Company has set up manufacturing facility for automotive components at Plot No. 8, Sector 11, IIE, Rudrapur, Uttarakhand. In the month of April, 2009 the Company commenced its commercial production. This unit proposes to manufacture Auto Components, sub- Assemblies like load body and frames for the 1 ton LCV, Micro bus, Magic and ACE being now manufactured by TATA MOTORS LTD at Uttarakhand. This unit is likely to see tremendous growth due to fiscal concessions offered to Original Equipment Manufacturers (OEMs) by the State and Central Governments.

iv. Autoline Industrial Parks Limited:

Your Company and Sharjah Cement & Industrial Development Co. UAE, formed a Joint Venture by the name of Autoline Industrial Parks Limited (subsidiary of "Autoline"). The purpose of the Joint Venture is to set up and develop SEZs / industrial parks relating mainly to Auto Ancillary Units, Design Engineering Units etc. The Company has contracted for 125 Acres of land out of which 75.10 Acres of land has already been acquired till date.

v. Design Unit - Autoline Design Software Limited, India :

Autoline Design Software Limited has emerged as a multifaceted, end –to-end Engineering Solutions Company that offers business solutions for manufacturing organizations worldwide. Your Company proposition to its customers as a provider of engineering-design, tooling services and mass-manufacturing capabilities, that can continually innovate through process engineering, re-engineering and re-tooling to improve manufacturing efficacy which has been further consolidated. The business relating to selling of engineering S/W products of Parametric Technology Corporation (PTC) has gathered momentum during the year.

vi. Autoline Industries, Inc, Butler, Indiana, USA *:*

During the year under review, the Company was able to acquire sophisticated pedals business alongwith the machinery and equipments from one of the world's leading pedal manufacturer's North American Unit which closed down and move it to merge with the Jacks business at Butler facility. With this acquisition of pedals business alongwith key personnel, your Company now offers this capacity to leading Automobile OEMs across the world.

ACQUISITIONS:

A) SZ Design Srl & Zagato Srl ("ZAGATO") Milan, Italy :

In September 2008, your Company acquired 100% stake in Koderat Investments Limited "Koderat" (making it Wholly Owned Subsidiary), a Company incorporated and existing under the laws of Cyprus; acting as a Special Purpose Vehicle (SPV). Further "Koderat" acquired (49.0%) equity share capital of "SZ Design S.r.l.", and "Zagato S.r.l", Italian limited liability companies, Milan ("the Companies/Zagato"). "Koderat" has the right to increase its shareholding in the Companies to 60%". "Zagato" is a Milano-based Italian automotive design Company responsible for designing some of the most spectacular cars of the last century for companies such as Ferrari, Maserati, Bugatti, Bentley, Rolls Royce, Jaguar and Lamborghini etc.

"Zagato" founded in 1919, is one of the most prestigious design houses of the world. The Company offers highly flexible styling, modeling and prototype construction facilities to the world's leading automotive brands. The Company also works with industry leaders in Aerospace, Marine and Railway, including the Ferretti Group, Bombardier and CNH.

With this acquisition, your Company now covers entire product development lifecycle, with volume manufacturing and advanced engineering now combined with the most exclusive Italian design. This will enable your Company to offer best of Italian design with the most innovative software modeling and analysis technologies available in the Automotive industry today.

With "Zagato" as a part of your Company will offer 'Art to Part Solutions' for automotive and transportation markets around the world, leveraging its 300 person design – engineering team and 10 manufacturing facilities in India, Italy and the United States.

"Zagato" was one of the first companies in Europe to offer digitized data processing to reduce time-to-market. This

Company is a modern design consultancy and engineering services Company, offering comprehensive and highly flexible in-house styling, modeling, engineering, prototype construction & low volume manufacturing facilities. Its roots are in combining neoclassical vehicle design with modern technology spanning over 90 years.

This will offer your Company a Design & Engineering location that complements the existing manufacturing locations in India; adding new business from world renowned customers such as Ferrari, Maserati, Bugatti, Bentley, Rolls Royce, Alfa Romeo, Aston Martin, Isotta Fraschini, Jaguar, Lamborghini, Lancia, Abarth etc. Your Company being a Mass Manufacturer of Automotive Components, can now provide services right from Concept Design to Manufacturing / Production Parts thereby increasing the Core Competence of the Company from Concept Design to Mass Manufacturing with this acquisition. This enables your Company to become one of the best Tier 1 suppliers to almost all the major OEMs.

B) Plot No. 6 located at Rudrapur –Uttarakhand, India:

In July, 2009 your Company has acquired land located at Plot No. 6, Sector 11, IIE, Rudrapur, Uttarakhand (Next to Nirmiti Autocompoents Pvt. Ltd – Plot No. 5, Uttrakhand) from Himalayan Automotive Technologies Private Limited. The total plot area is 8,160 sq. meters. The Company proposes to use this land area for assembling large components for enhanced supplies to Tata Motors Limited.

EXPORTS:

In November, 2008 your Company exported its first consignment to Cummins Power Generation, USA. During the period under review, the total export value amounts to USD 218,914 and from April, 2009 to June, 2009 it amounts to USD 56,700. The business in hand is worth Rs. 200 Millions approximately. Your Company is expecting further orders from Cummins for its Power Generation plants in USA and around the world.

AMALGAMATION OF NIRMITI AUTOCOMPONENTS PRIVATE LIMITED & WESTERN PRESSING LIMITED (WHOLLY OWNED SUBSIDIARIES) WITH THE COMPANY:

The Board of Directors at their meeting held on 29th July, 2009 approved Scheme of Amalgamation of the Company under the provisions of Sections 391 to 394 of the Companies Act, 1956 with its Wholly Owned Subsidiaries i.e. Western Pressing Limited and Nirmiti Autocomponents Private Limited, subject to sanction of Hon'ble High Court of Judicature at Bombay, the necessary approvals of Stock Exchange(s) where the shares of the Company are listed, approval of the shareholders & that of creditors of the Company, The Appointed date of the amalgamation is April 01, 2009. The amalgamation will achieve a synergy in operations and enjoy economies in operations resulting in maximizing the overall shareholder value.

TRANSFER TO GENERAL RESERVES:

During the year a sum of Rs 1.20 Millions has been transferred to the General Reserve Account.

FIXED DEPOSITS :

The Company has not accepted any fixed deposits within the meaning of Section 58A of the Companies Act, 1956, during the period under review.

CONSOLIDATED ACCOUNTS :

In accordance with the requirements of Accounting Standard AS - 21, prescribed by the Institute of Chartered Accountants of India, the consolidated accounts and cash flow are annexed to this report.

For the Financial Year 2008-2009, your Company has obtained exemption under Section 212 (8) of the Companies Act, 1956 vide letter bearing No.47/382/2009 –CL-III dated 3rd July, 2009 issued by Government of India, Ministry of Corporate Affairs, New Delhi from attaching copy of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Report of the Auditors of Subsidiary Companies for the year ended 31st March, 2009 for its eight subsidiaries viz: Autoline Design Software Limited, Western Pressing Limited, Autoline Industrial Parks Limited, Nirmiti Autocomponents Private Limited, Nuvent Technologies Private Limited, DEP Autoline LLC, USA, Autoline Industries USA, Inc. and Koderat Investments Limited.

The Company will make available the annual accounts of the Subsidiary Companies and the related detailed information upon request by any member of the Company and its subsidiaries interested in obtaining the same.

The annual accounts of the Subsidiary Companies will also be kept for inspection by any member at the respective registered offices of the Company and its Subsidiary Companies.

PERFORMANCE OF SUBSIDIARY COMPANIES :

Domestic Companies:

i) Nirmiti Autocomponents Private Limited :

The gross turnover was Rs. 645.29 Millions (Previous Year Rs. 409.65 Millions). Profit before tax was Rs. 0.97 Millions (Previous Year Rs. 13.00 Millions). Net profit was Rs. 0.47 Millions (previous year Rs. 10.14 Millions). The Company is in process of amalgamation with Autoline Industries Limited.

ii) Autoline Design Software Limited :

The gross income including exports was higher at Rs. 46.99 Millions (Previous Year 46.83 Millions). Profit before tax decreased to Rs. 1.38 Millions (Previous Year Rs. 4.27 Millions). Profit after tax was Rs. 1.01 Millions (Previous Year Rs. 3.22 Millions).

iii) Autoline Industrial Parks Limited :

The Company is in process of acquisition of land and hence the business operations have not yet started. During the year, the Company had earned Dividend and interest income amounting to Rs. 17.86 Millions. (Previous Year Rs. 0.51 Millions).

iv) Western Pressing Limited :

All manufacturing activities has been transferred to Autoline Industries Limited, (holding Company). Accordingly all land, building and plant and machinery were rented out to your Company. During year, the Company has earned net profit of Rs.0.29 Millions (Previous Year Rs. 1.18 Millions). The Company is in process of amalgamation with Autoline Industries Limited.

v) Nuvent Technologies Private Limited :

The Company is the Off shore Development Centre of DEP Autoline LLC. USA. During the period under review the sales were amounting to Rs. 34.48 Millions (Previous year Rs. 30.37 Millions) and net profit was at Rs. 2.33 Millions. (Previous year Rs. 3.04 Millions).

Foreign Companies:

i) DEP Autoline LLC, USA :

During the period under review, the turnover was USD 40,09,688 amounting to Rs. 184.73 Millions (Previous year USD 36,76,116 amounting to Rs. 147.57 Millions) and profit after tax was USD 5,61,471 amounting to Rs. 27.18 Millions. (Previous year USD 6,52,289 amounting to Rs. 24.67 Millions).

ii) Autoline Industries, INC. USA :

During the period under review, the turnover increased to USD 1,00,72,616 amounting to Rs. 478.17 Millions (Previous year USD 54,47,382 amounting to Rs. 216.00 Millions). During the period the Company incurred loss of USD 5,72,361 amounting to Rs. 20.61 Millions (previous year net profit was USD 9,80,842 amounting to Rs. 39.40 Millions).

iii) Koderat Investments Limited:

In September 2008, your Company acquired 100% stake in Koderat Investments Limited "Koderat" acting as a Special Purpose Vehicle (SPV). During the period, the Company incurred Loss of Euros 9,508 amounting to Rs. 0.66 Millions.

RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION :

i) Conservation of Energy, Technology Absorption and Foreign Exchange Earnings & Outgo:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 is given as **Annexure – A** to this report.

ii) Particulars under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 :

The particulars required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 is given as **Annexure- B** to this report.

DIRECTORS :

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association, Mr. Gopal G. Patwardhan, Mr. Prakash B. Nimbalkar and Mr. Ajit B. Karnik retire by rotation and are eligible for re-appointment at the ensuing Annual General meeting.

In terms of provisions of Section 260 of the Companies Act, 1956 and Article No.91 of Articles of Association of the Company, the Board of Directors on 30th September, 2008 had appointed Prof. Chandramauli Padmanabhan as an Additional Director. Prof. Chandramauli Padmanabhan shall hold office up to the date of Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956 for appointment of Prof. Chandramauli Padmanabhan for office of director liable to retire by rotation.

In terms of provisions of Section 313 of the Companies Act, 1956 and Article No.92 of Articles of Association of the Company, the Board of Directors at their meeting held on 17th June, 2009 had appointed Mr. Charuchandra Shrotri as an Alternate Director for Mr. J. Stanton Dodson and who ceased to be an Alternate Director w.e.f. 29th July, 2009. Mr. Amit Goela ceased to be an Alternate Director w.e.f. 31st October, 2008.

DIRECTORS' RESPONSIBILITY STATEMENT :

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors, based on the representations received from the Operating Management, state and confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed and that there are no material departures;

(b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at 31st March, 2009 and of the Profit or Loss of the Company for that period;

(c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the Directors had prepared annual accounts on a going concern basis.

CORPORATE GOVERNANCE :

Your Company has complied with the mandatory provisions of Clause 49 of the Listing Agreement relating to Corporate Governance, as amended from time to time. A separate section on Corporate Governance forms part of the Annual Report and the Certificate from the Company's Statutory Auditors in terms of Clause 49 of the Listing agreement with Stock Exchanges is annexed as **Annexure - C**.

AUDITORS :

M/s. Gujar Rawat Sheth & Associates, Chartered Accountants, Pune, Auditors of the Company will retire from the office of the auditors at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment. The Company has received letters from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226 of the said Act.

AUDITORS' REPORT :

The observations made in the Auditors Report, read together with the relevant notes thereon are self explanatory and hence does not call for any comments under Section 217 (3) of the Companies Act, 1956.

ACKNOWLEDGEMENTS:

The Directors would like to thank the investors, employees, customers, suppliers, bankers, all other business associates and various departments of central government and state government for the continuous support given by them to the Company and their confidence in its management.

For and on behalf of the Board

Place: Pune
Date: 29th July, 2009

(Gopal Patwardhan)
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – A

Information under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2009.

A. CONSERVATION OF ENERGY :

a) Energy conservation measures taken :

Energy conservation continued to have high priority as in the previous years. These measures are aimed at effective management and utlisation of energy resources and have resulted in cost saving for the Company. These measures have been implemented at all plants and offices of the Company.

Some of the initiatives taken by the Company in this regard are as under:

i. Installation of Variable Frequency Drive (VFD) – High voltage motors and equipments controlled through VFD resulted in saving of energy. Motor and equipment life increased.

ii. Maximum Demand (MD) - Provision made to keep backup system at 90% of MD thus controlling usage of power within the power supply demand.

iii. Automatic start of Generators as per load requirement by installing common synchronization panel between 2 Numbers of 500 KVA DG sets for plant located at Uttrakhand.

iv. Automatic Power Factor Panel (APFC) installed and commissioned to MSEB supply to control the power factor which resulted in reduction of power consumption and increased demand range within specification.

v. Compressor and cooling tower mains switch off (shut down of power supply) during non- working hours viz- lunch time, tea time etc.

vi. Alternate lighting of Bays with Overhead lamps.

vii. Energy saving for Compressor GA-7 and for P.S- 4. – For the same strokes at 40A machine run hours reduced from 24 hours to 19 hours. Thus resulted in energy cost saving.

viii. Cost saving for lighting – 150 Watt 10 Numbers Halogen removed from press shop resulted in energy cost saving.

ix. Energy saving for Main Gate Lighting –At main gate earlier there was 150 Watt light fitting 2 in Numbers. There was major maintenance problem of lamp. The cost of replacement of choke was high. Fitting was modified and used 36 Watt CFL Tube 2 in numbers resulted in low maintenance cost.

b) Impact of above measures for reduction of energy consumption and consequent impact on the cost of production of goods:

The above measures have resulted / will result in energy saving and consequently decrease the cost of production.

c) The total energy consumption and energy consumption per unit of production as per prescribed form A :

Form – A

Form for disclosure of particulars with respect to conservation of energy :

(A) Power and Fuel Consumption:-

	Electricity	Units	Current Year	Previous Year
(A)	Purchase –Units	**KWH in Lacs**	**68.28**	**72.63**
	Total Amount	**Rs. in Lacs**	**348.43**	**379.35**
	Rate per Unit	**Rs.**	**5.10**	**5.22**
(B)	Own Generation Through Diesel Generator- Units Unit per ltr. Of Diesel Oil Cost per Unit	**KWH in Lacs** **Rs. in Lacs** **Rs.**		

(B) Consumption per unit of production :

Considering the number of components produced, consumption per unit of production cannot be determined.

B. TECHNOLOGY ABSORPTION :

Efforts made in Technology Absorption.

Your Company has set up new plant at Uttrakhand to support OEMs in their requirement and development of new assemblies etc. Due to downturn in the automotive sector, the Company has decided to defer its R& D plans.

Expenditure on Research & Development:

Sr. No.	Particulars	(Rs.)
a)	Capital	NIL
b)	Recurring	———
	Total	**NIL**
c)	Total R & D expenditure as a percentage of total turnover.	NIL

Your Company at its design unit carried out technology absorption which includes design and development of -

a. Bajaj Hopper

b. Spare Tyre Carrier Winch

c. Parking Brakes

d. Ace Manual Tipper

e. Ace Micro Trailer

f. Ace Closed Container

Your Company has continued its endeavor to absorb best of the technologies for its products. Following are some of proprietary innovation developments done at its design unit.

AUTOLINE PROPRIETARY IN-HOUSE INNOVATION DEVELOPMENTS :

- **Nishabdh -The Jack Maker** - Wizard which can model the optimized scissor jack assembly within minutes.
- **Ergonomic Handle Adjuster** - It is a two direction handle adjusting mechanism operated by motor to suit the driver.
- **Positioning and locking mechanism** - Sheet metal covering is eliminated & outer cover is used to support, operate and guide the mechanism.
- **Foot Operated Parking brake** (push down release type) -A cost effective and simple design with less no. of components compared to similar products in the market
- **Electrical Parking Brake Design** - SCO-EPB a compact EPB design which runs by DC motor.

During the period, your Company has made following efforts:

i. Installation of 2000 Ton Hydraulic Press (2500 *4500) to cater to large pressings.

ii. Installation of 3 new VMC to cater to increased volume of Die Manufacturing.

iii. Installation of Spotting press 50 Tons to carry out final finishing of Dies.

iv. Try out Press 150 Tons, 160 Tons and 315 Tons to cater to trials of New Dies.

v. To upgrade Tool room, Press brakes, Punch press and general Purpose machines have been commissioned.

vi. Sheet Metal assemblies installed for Cummins business.

vii. Walking beam conveyor 709 structure installed to eliminate manual loading.

viii. In house manufacture of pallets, trolleys for material handling & dispatches.

ix. Installation of 1 Press Machine of 1250 Ton capacity is in progress at Uttrakhand.

x. At Uttrakhand 1 Press Machine of 500 Ton capacity installed and commissioned. Cushion provision under design and manufacture will act as a stand by press machine for 350 Ton.

xi. Mini bus component assemblies commenced at Uttrankhand,

xii. Load body ACE IT production commenced at Uttrankhand,

xiii. In house manufacturing of “Press” parts, riser blocks, Liners etc.

xiv. Frequent break down of clutch assembly pins eliminated after making necessary changes in design of assembly & pins.

xv. While performing operations of shearing machine, major problem was faced in hydraulic unit which resulted into frequent break down. This was avoided by replacing the unit by pneumatic. This resulted into saving in break down time & increased productivity.

xvi. Number of strokes saved by adding operations in dies. Used hydraulic oil instead of machine oil resulted into cost saving.

xvii. 32 tools were made in-house for Cummins project and Marcopolo project.

xviii. Introduced leak testing for exhaust pipe.

xix. Developed Dia 70 instead of earlier used raw material Dia 81.2 for 2821 4921 0102 front pipe supplied as raw material for 909 LP Model. This resulted in cost saving.

xx. Replaced 'Oil Fired Burner' by 'Gas Fired Burner' in baking oven resulting in environment friendness.

xxi. For manufacturing of "People mover demo unit" three technologies were used by Company's design unit:

a. Rapid Prototyping

b. Thermoforming for Large components (Roof and Windows)

c. FRP technology for Body Panels

Benefits derived as a result of above R & D:

1. Development of new products
2. Enhancement of product range
3. Improved quality and customer satisfaction
4. Reduction in cost of production
5. Reduction in Man power.

C. FOREIGN EXCHANGE EARNINGS & OUTGO :

(Rs.)

Particulars	**2008-09**	**2007-08**
Foreign Exchange Earnings	1,43,12,875	19,06,960
Foreign Exchange Outgo	23,96,84,886	2,02,281,205
Foreign Exchange Inflow	1,15,55,449	NIL

For and on behalf of the Board

Place: Pune
Date: 29th July, 2009

(Gopal Patwardhan)
Chairman

ANNEXURE – B

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors' Report.
Persons employed throughout the financial year who were in receipt of remuneration in aggregate of not less than Rs. 24,00,000 per annum or Rs. 2,00,000 per month.

Name	Designation and nature of duties	Age (Yrs)	Gross Remuneration (Rs.)	Net Remuneration (Rs.)	Qualification	Total Experience (Yrs)	Date of Joining	Last employment	% of equity share capital held	whether relative of any Director of company
Mr. Shivaji T. Akhade	Managing Director & Chief Executive Officer	43	36,00,000	25,16,220	B.Com.	18	16.12.96	N.A.	4.60%	Mr. Sudhir V. Mungase Wife's Brother
Mr. M. Radhakrishnan	Jt. Managing Director	55	30,00,000	20,99,950	B.Sc. (Stats) LLB, DBM, CAIIB	30	03.09.01	Small Industries Development Bank of India –General Manager	0.43% Wife – Mrs. Rema Radhakrishnan - 5.10%	N.A.
Mr. Sudhir V. Mungase	Wholetime Director	34	30,00,000	21,01,550	Undergraduate	13	16.12.96	N.A.	4.58%	Brother in Law of Mr. S.T. Akhade

For and on behalf of the Board

Place: Pune
Date: 29th July, 2009

(Gopal Patwardhan)
Chairman

Notes:

1. Designation of the employee indicates the nature of duties.
2. The nature of employment in all above employment is contractual.

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY STRUCTURE AND DEVELOPMENTS:

The Indian Auto Component industry is one of India's sunrise industry with tremendous growth prospects. From a low-key supplier providing components to the domestic market, the industry has emerged as one of the key auto components centers in Asia and is today seen as a significant player in the global automotive supply chain. India is now a supplier of a range of high-value and critical automobile components to leading global auto makers such as General Motors, Toyota, Ford, and Volkswagen amongst others based in various geographies.

	Automobile Production Trends (India)						(Number of Vehicles)
Category	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
Passenger Vehicles	723,330	989,560	1,209,876	1,309,300	1,545,223	1,777,583	**1,838,697**
Commercial Vehicles	203,697	275,040	353,703	391,083	519,982	549,006	**417,126**
Three Wheelers	276,719	356,223	374,445	434,423	556,126	500,660	**501,030**
Two Wheelers	5,076,221	5,622,741	6,529,829	7,608,697	8,466,666	8,026,681	**8,418,626**
Grand Total	**6,279,967**	**7,243,564**	**8,467,853**	**9,743,503**	**11,087,997**	**10,853,930**	**11,175,479**

Source: SIAM

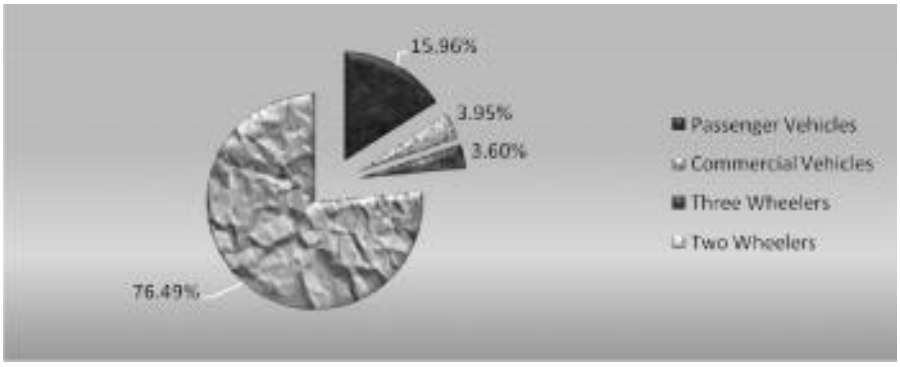
The year 2008 was really bad for the entire Commercial Vehicles segment. Towards the end even the Passenger Vehicle segment began to falter. According to Society of Indian Automobile Manufacturers (SIAM), while the Passenger Vehicle Sales segment posted a marginal growth of 0.13% from 1,549,882 in 2007-08 to 15,51,880 in 2008-09, Commercial Vehicle sales showed a worrisome 21.70% drop from 4,90,494 in 2007-08 to 3,84,122 in 2008-09. Since the Passenger Vehicles segment has worked its way out of the woods with sales picking up and new launches rolling into the market. The Commercial Vehicle segment remained in the doldrums in March 2009, it registered a 26% fall with sale of 41, 881 units against 56,768 units in March, 2008.

	Automobile Domestic Sales Trend (India)						(Number of Vehicles)
Category	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
Passenger Vehicles	707,198	902,096	1,061,572	1,143,076	1,379,979	1,549,882	**1,551,880**
Commercial Vehicles	190,682	260,114	318,430	351,041	467,765	490,494	**384,122**
Three Wheelers	231,529	284,078	307,862	359,920	403,910	364,781	**349,719**
Two Wheelers	4,812,126	5,364,249	6,209,765	7,052,391	7,872,334	7,249,278	**7,437,670**
Grand Total	**5,941,535**	**6,810,537**	**7,897,629**	**8,906,428**	**10,123,988**	**9,654,435**	**9,723,391**

Source: SIAM

In recent times, the global slowdown of car sales in US, European Union and Asian car markets has been affecting the Indian Auto Component industry, and the industry has been seeing some recessionary trends. It also faces a significant challenge from cheap Chinese products. Over all, the industry is looking at better days ahead. Analysts predict 8 % growth for Commercial Vehicles segment against 5% growth for Passenger Vehicles this year. However, industry experts believe things are going to look up soon.

Category -Wise Market Share in 2008-09



Source: SIAM

Your Company is engaged in the Conceptualizing, Styling, Design – Engineering, Prototyping and manufacturing of auto components through following business segments:

a) Mechanical Assemblies

b) Styling, Design & Analysis Application Software Services

c) Medium & Large Stamped Assemblies

Today more than 400 products from your Company fit into a range of SUVs, LCVs, HCVs and passenger cars besides three wheelers and are supplied mostly as single source supplier to TATA Motors. Your Company has an in house dedicated tool room facility (area 6,000 Sq. meters) at Chakan Unit 2. This tool room is equipped with Hartford CNC Vertical Milling centres, TAL's Computerised Milling centre, Wire cut machine, Horizontal Boring machine etc. This tool room has capacity to manufacture large dies. Your Company has ultramodern manufacturing facilities and has the experience of producing large volumes in specified time and to the required quality specifications.

Customized to the requirements of the client, as per their drawings / samples provided, various operations on metal sheets (pre-cut to strips as per requirement of jobs) like blanking, bending, trimming, forming, piercing, etc. are carried out with appropriate dies loaded and set in the required size and capacity. The components that require welding are sent to the welding shop for welding and assembly. There is a quality check at every level and before final dispatch. All processes are completed as per the Quality Plan for each Component as specified by the ISO/TS 16949:2002 Standards for Quality and Processes.

All the major OEMs have announced launch of their small cars from India and especially Chakan area is developing as small car hub for domestic and international market. Your Company has three large manufacturing facilities located at Chakan region to cater the needs of these existing & new International OEMs setting up facilities in Chakan / Talegaon area.

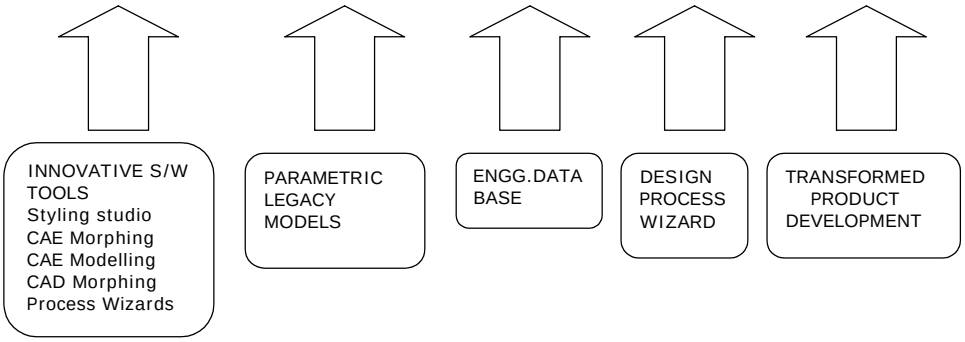
Your Company through its Wholly Owned Subsidiary 'Autoline Design Software Limited' provides end–to- end solutions to its customers on "ODM" (Outsourced Design to Manufacturing Model) basis. It provides Dedicated Design Centers to its clients for Engineering/Product Development, Engineering software development, Prototyping and testing. Each Design Center is customized to client requirements and provides flexible options for security levels, isolation levels and management oversight. Our Dedicated Development Centers come with standard features - workstations for team members, office automation tools, proprietary Quality Processes, physical security vide access cards, network security vide Firewalls and process zed backup of files and data. Dedicated Design Centers can also use client-provided methodology and processes. Your Company also offers a customized solution where the Company tailor its processes to the clients' needs. Periodic status and other reports covering metrics data are provided to the client for monitoring and decision-making.

Your Company had developed a number of tools for easy manageability of Design Centers. It set up an extranet for each client and through the extranet, provide visibility into the current status of ongoing projects. Your Company also have an in-house defect tracking tool and a knowledgebase that can be used by the client as well as the team members. Your Company also provide the flexi-resourcing option allowing clients to ramp up and ramp down the teams within defined parameters. The result is flexibility for our clients in managing team sizes when the work is cyclic in nature.

During the period, your Company acquired stake through 'Koderat Investments Limited' (Wholly owned subsidiary of your Company) in 'SZ Design Srl', a Milano-based Italian automotive design Company established in 1919,responsible for designing some of the most spectacular cars of the last century for companies such as 'Ferrari', 'Maserati', 'Bugatti', 'Bentley', 'Rolls Royce', 'Jaguar' and 'Lamborghini' etc. The Company offers comprehensive and highly flexible styling, modelling and prototype construction & low volume manufacturing facilities to the world's leading automotive brands. Its roots are in combining neoclassical vehicle design with modern technology spanning over 90 years. This will provide your Company with a Design & Engineering location that complements the existing manufacturing locations in India; adding new business from world renowned customers such as Ferrari, Maserati, Bugatti, Bentley, Rolls Royce, Alfa Romeo, Aston Martin, Isotta Fraschini, Jaguar, Lamborghini, Lancia, Abarth etc. Your Company being a mass Manufacturer of Automotive Components, this acquisition will lead your Company to provide services right from Concept Design to Manufacturing / Production Parts thereby increasing the Core Competence of the Company from Concept Design to Mass Manufacturing. This will enable your Company to become one of the best Tier 1 suppliers to almost all the major OEMs.

Below shown diagram explains how the acquisition enhance (add value) to your Company's current design capabilities. Using this revolutionary modeling methodology, regular full vehicle CAE models (Crash, NVH, Durability etc.) are converted to intelligent parametric CAE models and then after Engineering Data base and Design through the Transformed Product Development process stated below the concept is converted into a product; high in quality and with less time compared to Conventional Method.

DEP - AUTOLINE INNOVATIVE PRODUCT DEVELOPMENT TECHNOLOGY



2. OPPORTUNITIES AND THREATS:

A) OPPORTUNITIES:

It is expected that the global Auto Component industry is likely to touch US$ 1.9 Trillion by 2015, of which around 40 % (US$ 700 Billion) is likely to be supplied from cost- effective countries like India. Even though India's share of the global Auto Components trade worth US$ 185 Billion was only 0.4 % in 2007, India is projected to become one of the leading five Auto Component economies by 2025.

Investment in the Indian Automobile Components industry is witnessing continuous growth. Investments grew at a Compound Annual Growth Rate (CAGR) of 21.7 % during 2002-07 and were worth US$ 7.2 Billion in 2007-08. Automotive Component Manufacturers Association of India (ACMA) expects investments to grow at a CAGR of 14.2 % during 2007-2015 and reach US$ 20.9 Billion by 2015. Japanese auto major, Nissan Motor Co, has identified India as one of the five low-cost countries to manufacture its new generation compact cars, including the Micra. Not only Nissan, companies such as Hyundai, General Motors, Mercedes-Benz, Renault, and Skoda Auto are going to invest thousands of Crores of Rupees in Indian Automobile industry.

Recently Tata Motors Limited announced that it will be producing 80,000 units of its most awaited world's least expensive car 'NANO' during 2009-10 at its Pantnagar plant in Uttarakhand. All these factors show the huge potential for your Company. Accordingly your Company has set up manufacturing facility for automotive components at Plot No. 8, Sector 11,IIE, TML Vendor Park, SIDKUL Rudrapur, Uttarakhand – 263 153. In April, 2009, this unit commenced its commercial production.

Even though India's Auto Component industry has conventionally relied on exports for its profits, the domestic market itself is ripe with rapidly growing opportunities. Industry experts are hopeful that the country will be able to offset China and other South-east Asian countries' traditional manufacturing advantage in the coming years, facilitating the industry's achievement of its targeted market value of US$ 40 Billion by 2014.

Seeing the growing popularity of India in the Automotive Component sector, the Investment Commission has set a target of attracting foreign investment worth US$ 5 Billion for the next seven years to increase India's share in the global auto components market from the existing 0.9 % to 2.5 % by 2015.

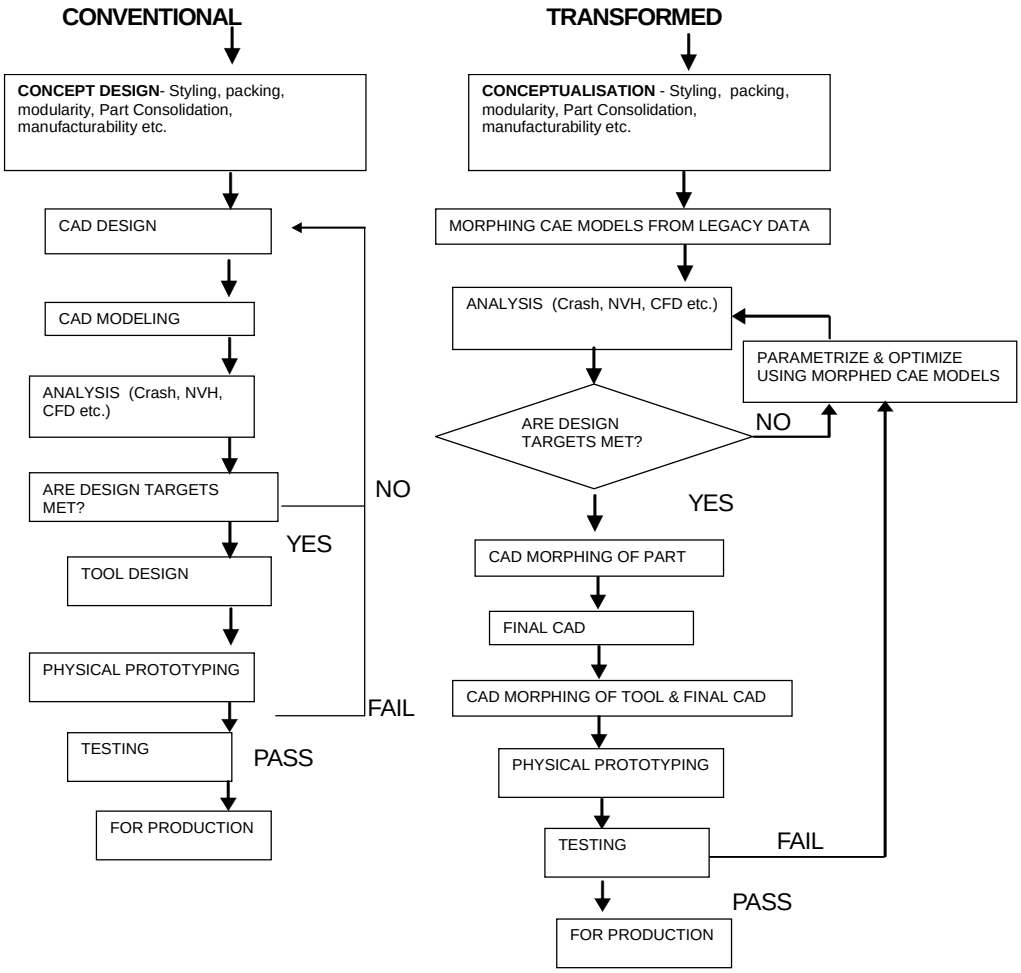
- 'IFCI Venture Capital Funds Limited' launched a private equity fund in March this year, in association with German consultancy UBF-B worth US$ 144.67 Millions focused entirely on domestic Automotive Components Industry.
- 'Japan's Omron Corporation', the leading manufacturers of automation components has set up the Company's first production base on the subcontinent.
- 'Fiat' is setting up a group purchasing office in India as part of its strategy to cut costs by buying more components from low-cost centers such as India and China.
- 'International Automotive Components Group (IAC)' is setting up a new facility at Chakan to manufacture vehicle interior components and systems, involving a capital investment of approximately US$ 25 Millions. In early 2008, IAC established an engineering and administrative facility in Pune, Maharashtra, India.
- Automotive Component manufacturer 'Delphi Corporation' will be investing US$ 51.23 Millions near Chennai for setting up an electronics manufacturing facility. The Company already has four other manufacturing plants apart from a technical centre in India.
- 'Federal-Mogul', an auto-parts supplier Company will invest US$ 15.12 Millions to set up manufacturing facilities for sealing products.

The government has envisaged the Automotive Mission Plan 2016 to promote growth in the sector. It targets:

- Emerging as the global favorite in the area of design and manufacture of automobiles and auto components.
- Taking the output to US$ 145 Billion, accounting for more than 10 % of the GDP.
- Offering additional employment to 25 Millions people by 2016.

The following diagram explains how your Company's design capabilities makes it stand far apart ahead from other Tier 1 suppliers on the product development process.

Transforming Product Development Process



Thus, this puts your Company at an advantageous position with the competitors in Sheet Metal Business.

The export market for Indian auto components is expected to grow at a compounded annual growth rate of 17% to US$ 5.9 Billion by 2009 and to US$ 40 Billion by the year 2015. The export market and the large OEMs setting up manufacturing facilities in India and especially Chakan, Pune, India therefore presents very good potential for Auto Components manufacturers in the years to come. Your Company has received Letters of Intent for new business from International OEMs like Daimler Chrysler India Private Limited., Cummins Power Generation, USA, General Motors, Volkswagen, FIAT, etc.

According to SIAM, automobile exports registered a growth of 22.30 % during 2007-08. The growth was led by two wheelers segment which grew at 32.31 %. Commercial Vehicles and Passenger Vehicles exports grew by 19.10 % and 9.37 % respectively. Exports of Three Wheelers segment declined by 1.85 %.

	Automobile Export Trends (India)						**(Number of Vehicles)**
Category	**2002-03**	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**
Passenger Vehicles	72,005	1,29,291	1,66,402	1,75,572	1,98,452	2,18,401	**3,35,739**
Commercial Vehicles	12,255	17,432	29,940	40,600	49,537	58,994	**42,673**
Three Wheelers	43,366	68,144	66,795	76,881	1,43,896	1,41,225	**1,48,074**
Two Wheelers	1,79,682	2,65,052	3,66,407	5,13,169	6,19,644	8,19,713	**10,04,174**
Grand Total	**3,07,308**	**4,79,919**	**6,29,544**	**8,06,222**	**10,11,529**	**12,38,333**	**15,30,660**

Source: SIAM

Your Company in November, 2008 exported its first consignment to Cummins Power Generation, USA and is expecting more orders for its Power Generation plants in USA and around the world, from General Motors, Volkswagen etc.

B) THREATS:

Due to global recession impact on the Indian financial system, automotive Industry sales declined significantly. Due to global meltdown and financial crisis all over the world and especially in auto sector, banks/ financial institutions became more cautious while lending funds. The challenge before the industry is to face tight liquidity, low consumer sentiments, fluctuations in price of raw material especially steel, drop in industrial production, cost reduction targets of OEMs, high operating costs, overcapacity in the market, lack of availability of consumer finance etc. This has forced willing buyers to defer their purchase plans. Resultantly this could have impact on the profitability of your Company. The global economic slowdown and credit crunch in prime markets will have impact on export market.

3. SEGMENT–WISE PERFORMANCE:

Your Company operates through two business segments namely, (a) Press Sheet Process and (b) Design Engineering Services. However, Design Engineering Services and Software Development is not a reportable segment in terms of the criteria laid down in paragraph 27 of the Accounting Standard - 17 as the revenue / results / assets of this segment are not more than the threshold limit of 10% of the total segment revenue / result / assets.

4. OUTLOOK:

According to CRISIL, impaired by the aggravating global financial crisis the real GDP growth forecast for 2009-10 stands at 5.5 - 6.0 %. This forecast assumes a sharp slowdown of industrial production and the expected moderation in services, transport and finance. For the year. April – March 2009, average inflation was 8.4% compared with 4.7% of Financial Year 2008. More recently in April, 2009 inflation was 0.57 %, due to presence of adequate liquidity and the persisting low interest rates. Reserve Bank of India (RBI) has led to a marginal softening of interest rates. However, availability of bank credit continues to be an issue, as banks are hesitant to take risks and extend lending operations.

Major domestic and global OEMs including Tata Motors Limited were affected by the global recession. However following the severe demand contraction in Quarter 3 of Financial Year 2009 triggered by the liquidity crisis and weakness of economic activity, especially in the MHCV category, auto industry showed some signs of recovery in January – March, 2009. On a month-on-month basis the Commercial Vehicle industry grew at 29.6%, 32.2% and 31.6% while the Passenger Vehicles industry grew at 37.6%, 5.8% and 14.1%. However on a full year basis the volumes remained weak with Commercial Vehicle industry having declined 17.4% while Passenger Vehicle industry remained relatively stable with a decline of 1.0%.

Recently the market sentiment has slightly improved, particularly for the Passenger Vehicles and for small Commercial Vehicles with excise duty reduction, somewhat improved finance availability, marginally reducing interest rates and continuing discounts and with number of new launches by OEMs including Tata Motors' 'NANO', Fiat India's 'PUNTO' etc.

Your Company is continuously moving up the value chain in product mix and have already started its process to integrate the Design – Engineering – Manufacturing activities right from styling, product design, product engineering, tool design & manufacturing, prototyping & mass manufacturing. The outlook of the Company is to develop the ability to build new customer relationships based on innovative offerings and business processes, while maintaining aggressive growth rate in revenue and profits. The Company has focused on four product areas**:**

A. Small Mechanical Assemblies - Jacks and Toolkits, Pedal Systems, Door Hinges, and other mechanical assemblies.

B. Body Structures - Fabricated Assemblies for Automobile & Engineering Industries Door Assemblies, Driver's Cabins, Gen-set Canopies, Large Assemblies for LCVs and Passenger Cars.

C. Chassis Systems - Fabricated Assemblies for underbody and Chassis components, axels, pick-up boxes.

D. Special Purpose & Formed Tubular Products - Exhaust Systems, Silencers, tubular fabricated assemblies, specially fabricated mechanisms.

While continued to be focused on the above product areas, your Company is expecting following domestic and export business from the Financial Year 2009 -10;

I. UTTARANCHAL- PANTNAGAR PLANT– Manufacturing of parts /components for -

a. '1 Ton vehicle' – Orders in hand worth approximately Rs. 6.50 Millons per month from November, 2009.

b. 'Penguin vehicle' capacity of 0.5 Ton Passenger Carrier – Orders in hand worth approximately Rs. 25 Millions from September, 2010.

c. 'Microbus' – Orders in hand worth approximately Rs. 8 Millions per month from January, 2010.

II. CUMMINS USA - Orders in hand worth approximately Rs. 200 Millions.

III. VOLKSWAGEN & BENTLER - Quality audit completed. Expecting new business from them.

IV. TATA MOTORS LTD- 'INDICRUZ Vehicle' - Orders in hand worth approximately Rs. 15,000 per vehicle. Commercial production is expected to commence from November, 2009.

V. AMERICAN AXLE MF- Manufacturing of parts /components for -

a. '0.75 Ton vehicle'- Orders in hand worth approximately Rs. 2.50 Millions per Month.

b. '1 Ton vehicle' - Orders in hand worth approximately Rs. 2.50 Millions per month.

VI. ASIA MOTOR WORKS – AMW - Orders in hand worth approximately Rs. 0.1 Millions per month.

VII. FIAT – INDIA -Hinges for 'LINEA' and 'PUNTO' - Orders in hand worth approximately Rs. 3 Millions per month from December, 2009.

In this scenario considering the current recessionary trends which is likely to be corrected in next 2 years & business uncertainty, the Company has planned various cost reduction measures in order to remain competitive in domestic as well as international market. The Company is planning to improve efficiencies, tap new business opportunities, diversify its business, enhancevalue addition to our customer base, maximize capacity utilization with least cost etc. Your Company has significant potential to not only weather the challenges it may face in the short-run, but also to take advantage of the opportunities resulting of a morphed competitive environment.

5. RISKS AND CONCERNS:

Input costs - Your Company is exposed to risk of price fluctuation on basic raw materials mainly - steel (HR and CR). Prices of steel are subject to volatility for various reasons including international supply shortages. Increase in prices of steel etc. could have negative impact on profitability of the Company. Your Company is managing these risks in inputs through inventory management, proactive management of vendor development and relationships.

Interest rate - In the second half of 2008-09 consumer interest rates witnessed upward movement. This affected vehicle demand growth. Hardening of interest rates and increase in inflation have negative impact on automobile industry. This resulted in customers postponing their purchasing plans.

Exchange rate - During the year under review, your Company exported its first consignment to USA and is expecting further orders. Movement in exchange rates and volatility in foreign exchange markets could impact on performance of your Company. During the period your Company has not entered into derivative transactions.

Manufacturing Facilities - Your Company's plants are situated at various locations. Operations of the Company may be affected due to natural calamities or load shedding or labour issues etc.

New competition - New Global players entering the market is also one of the vital risk.

Apart from the above risks, various businesses of the Company are exposed to certain operating business risks, which are managed by regular monitoring and corrective actions from time to time.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:

The Company has proper and adequate system of controls in order to ensure the optimal utilisation of resources and the accurate reporting of financial transactions and strict compliance with applicable laws and regulations. The Company have put in place sufficient systems to ensure that assets are safeguarded against loss from unauthorised use or disposition and that transactions are authorised, recorded, and reported correctly.

Audit Committee of Board of Directors comprising majority of independent Directors, regularly reviews the significant audit findings, adequacy of internal controls, compliance with accounting polices, practices and standards as well as compliances. It reviews and reports efficiency and effectiveness of operations and the key process risk.

Your Company is in the process of implementation of an Enterprise wide solution, Enterprise Resource Planning (ERP) at all its plants which will cover all its businesses, planning and accounting processes.

Your Company has appointed *"R.M.Rajapurkar & Co, Pune*" Chartered Accountants, independent firm of internal auditors w. e. f. 1st April, 2009 who carry out audits in different areas of Company's operations. The Audit Committee reviews internal audit reports and the adequacy of internal controls.

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

CONSOLIDATED HIGHLIGHTS **(Rs. in Millions except EPS data)**

PARTICULARS	2008-09	2007-08
Income from operations (Gross)	**3831.57**	3814.50
Other income	**28.00**	11.95
Profit Before Interest and Depreciation	**290.56**	491.14
Interest expenditure (Net of income)	**80.25**	50.17
Depreciation	**121.38**	53.28
Profit before tax	**88.93**	387.69
Taxation: Current -	**13.85**	49.14
Deferred -	**8.84**	21.83
Profit after tax but before deducting minority interest	**66.24**	316.73
Less: minority interest	**19.40**	14.53
Profit Attributable to the group	**46.84**	302.20
Earnings per share (in Rs.)	**3.84**	27.59
Weighted Earnings per share (in Rs.)	**3.99**	28.74

The overall performance of the Company during the year under consideration has been satisfactory.

8. CAPITAL EXPENDITURE:

Your Company invested Rs. 821.70 Millions towards capital expenditure in land, building, plant and machinery and other miscellaneous fixed assets during the year under review. The capital infusion will continue in a planned manner to further improve, enhance and modernise plants in the current year 2009-2010.

9. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

Your Company had strength of 1,448 employees as on 31st March, 2009. In order to protect health of employees and to ensure healthy working environment, your Company in January, 2009 has taken Employees Group Medi-claim and Personal Accident policy from "HDFC General Insurance Company Limited".

A cordial industrial relations environment prevailed in all the manufacturing units of the Company during the year.

10. CAUTIONARY NOTE:

The statements forming part of the Directors' Report may contain certain forward looking statements within the meaning of the applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Management. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

ANNEXURE C TO DIRECTORS' REPORT

AUDITORS' CERTIFICATE

REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To,

The Member(s) of Autoline Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Autoline Industries Limited for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that in respect of Investor grievances received during the year ended 31st March, 2009, no investor grievances are pending against the Company for a period exceeding one month as per records maintained by the Company which are presented to the shareholders/Investors Grievance Committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR)
PARTNER
M. No: 30305

Date: 29th July, 2009
Place: Pune

CORPORATE GOVERNANCE REPORT

I. MANDATORY REQUIREMENTS

A. Company's philosophy on code of governance

The Corporate Governance contains set of principles, process and systems to be followed by Directors, management, and all employees of the Company for increasing shareholders value keeping in view interest of other stakeholders. Corporate Governance has become an integral part of the business aligning the organisation to the best of international practices of good governance. This encompasses the value systems of integrity, fairness, transparency and adoption of the highest standards of business ethics which aims to benefit all the stakeholders. Your Company is fully committed to achieve and maintain the highest standard of Corporate Governance. The mandatory requirements of Clause 49 of the Listing Agreement have fully been implemented by your Company.

The detailed report on implementation by the Company of the corporate governance code as per Clause 49 of the Listing Agreement with Stock Exchange(s) is set out as under:

B. Composition of the Board of Directors:

The present strength of your Company's Board is **twelve** Directors, comprising of Non-Executive Chairman, Mr. Gopal G. Patwardhan, **three** Executive Directors viz. Mr. Shivaji T. Akhade, Managing Director & CEO, Mr. M. Radhakrishnan, Jt. Managing Director and Mr. Sudhir Mungase, Wholetime Director and **six** Non-Executive Independent Directors viz. Mr. Prakash B. Nimbalkar, Mr. Ajit B. Karnik, CA. Vijay K. Thanawala, Prof. Abraham Koshy, Cmde. N. Ravindranathan IN (Retd), Prof. Chandramouli Padmanabhan* and **two** more Non Executive Directors viz. Mr. J. Stanton Dodson and Mr. Rakesh Jhunjhunwala.

Mr. Charuchandra Shrotri was appointed as an Alternate Director for Mr. J. Stanton Dodson. Details of his appointment as an Alternate Director and cessation are as under :

Date of Appointment	Date of Cessation
13th September, 2008	28th January, 2009
17th June, 2009	29th July, 2009

*Prof. Chandramouli Padmanabhan was appointed as an additional director w.e.f. 30th September, 2008.

Mr. Amit Goela ceased to be an Alternate Director w.e.f. 31st October, 2008.

None of the Directors on the Board is a member on more than 10 Committees and Chairman of more than 5 Committees (as specified in Clause 49 of the listing agreement with Stock Exchange(s)), across all the Companies in which they are Directors. The necessary disclosures regarding Committee positions have been made by the Directors.

During the financial year 2008 - 2009, seven Board meetings were held on the 7th May, 2008, 27th June, 2008, 30th July, 2008, 13th September, 2008, 31st October, 2008, 20th December, 2008 and 28th January, 2009.

In advance of each meeting the Board is presented with all relevant information of various matters relating to the working of the Company, especially those that requires deliberations at the highest level. Directors have separate access to senior management at all times. In addition to items which are required to be placed before the Board for its noting or approval, information is provided on various significant items.

The information as specified in Annexure IA to clause 49 of listing agreement is regularly made available to the Board. Further the periodical Legal Compliance Reports of various laws applicable to the Company are reviewed by the Board at each Board meeting.

To enable the Board, to discharge its responsibilities effectively, the members of the Board are briefed at every Board meeting on the overall performance of the Company. The minutes of the Board meeting are circulated in advance to all Directors and confirmed at the subsequent Board meeting.

The attendance at the Board meetings held during the financial year 2008-2009 and at the last Annual General Meeting (AGM), the number of other Directorships and Committee Memberships/Chairmanships of Directors as on 31st March, 2009, are as follows:

Name of the Director	No. of Board meetings attended	Attendance at the last AGM	No. of Directorships held *	No. of committee memberships**	No. of committee Chairmanship**
Mr. Gopal G. Patwardhan	07	Yes	20	—-	—-
CA Vijay K. Thanawala	05	No	03	01	01
Mr. Prakash B. Nimbalkar	06	No	05	04	02
Prof. Abraham Koshy	03	No	06	—-	—-
Mr. Ajit B. Karnik	06	No	03	02	—-
Mr. J. Stanton Dodson	03	No	05	—-	—-
Cmde.N. Ravindranathan IN. (Retd.)	06	No	01	—-	—-
Mr. Shivaji T. Akhade	07	No	08	—-	—-
Mr. M. Radhakrishnan	07	Yes	09	02	—-
Mr. Sudhir Mungase	06	Yes	08	—-	—-
Mr.Rakesh Jhunjhunwala	—-	No	18	01	—-
Prof. Chandramouli Padmanabhan***	01	No	02	—-	—-
Mr. Charuchandra Shrotri****	02	No	04	—-	—-

* Including private Companies and foreign Companies Directorship and directorship in Autoline Industries Limited.

** Includes only Audit Committee and Shareholders /Investors' Grievance Committee in all companies including Autoline Industries Limited.

*** Prof. Chandramauli Padmanabhan appointed as an additional director w.e.f. 30th September, 2008.

**** Mr. Charuchandra Shrotri ceased to be an Alternate Director w.e.f. 29th July, 2009.

Details of Directors retiring by rotation and seeking re-appointment at the forthcoming Annual General Meeting are given below:

Name of the Directors	Date of birth Date of Appointment	Expertise in specific functional areas	Qualifications	Committee memberships in	Directorships in	No. of shares held in the Company
Mr. Gopal G. Patwardhan	31st March, 1975 31st March, 2006	Managing Partner of Duke Equity Partners one of the leading cross-border private equity investment firms investing in India. Enhances Duke's capabilities with significant experience with early stage companies in business planning and strategy, and in transnational investment management.	Degree in electronics from the University of Pune (India) and MBA with a concentration in entrepreneurship from Santa Clara University (California).	——	1. Harig Cranksshafts Ltd 2. Autoline Design Software Ltd. 3. Autoline Industrial Parks Limited. 4. Duke Speciality consultants Pvt. Ltd 5. Akula Advisors Pvt. Ltd 6. Duke Advisors Pvt. Ltd 7. Duke Intellectual Property Services Pvt. Ltd 8. Prince Avenue Media Pvt. Ltd 9. Stokota Engee (India) Pvt. Ltd 10. Nirmiti Autocomponents Pvt. Ltd 11. Duke Aviation Engineering Pvt. Ltd 12. Family Care Clinic Pvt. Ltd 13. Three P Infrastructure Pvt. Ltd 14. Surya Incubation Clusters Pvt. Ltd 15. DEP Autoline LLC. USA. 16. Autoline Industries Inc. USA. 17. Koderat Investments Limited 18. SZ Design Srl 19. Zagato Srl	1,278

Name of the Directors	Date of birth Date of Appointment	Expertise in specific functional areas	Qualifications	Committee memberships in	Directorships in	No. of shares held in the Company
Mr. Prakash B. Nimbalkar	12th February, 1943. 15th June, 2006.	Expertise in finance area, worked in Reserve Bank of India(RBI), Industrial Development Bank of India (IDBI) and Small Industries Development Bank of India (SIDBI)	Graduate in Commerce and Law (B.Com., LLB) Certified Associate of Indian Institute of Bankers (CAIIB)	Audit Committee 1. Autoline Industries Limited – member 2. SICOM Ltd – member 3. SICOM ARC Ltd- Chairman Shareholders & Investors' Grievance Committee Autoline Industries Limited – Chairman	1. SICOM Ltd 2. SICOM ARC Ltd 3. MPA Financial Services Limited 4. Autoline Industrial Parks Limited	325
Mr. Ajit B. Karnik	21st February, 1948. 15th June, 2006	Expertise in maintenance, repairs and overhaul facility for aircraft and air gas turbine engine.	Aircraft Maintenance Engineer in Category A.C. & X.	Audit Committee Autoline Industries Limited – member Shareholders & Investors' Grievance Committee Autoline Industries Limited – member	1. Aero Turbines (India) Ltd. 2. Duke Aviation Engineering Pvt. Ltd.	NIL

*Only two Committees viz. the Audit Committee and the Shareholders /Investors' Grievance Committee are considered.

BOARD COMMITTEES

1. Audit Committee

The Audit Committee of the Board of Directors of the Company provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Its' main aim is to monitor and to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures, and transparency, integrity and quality of financial reporting.

Your Company has an Audit Committee comprising four members out of which three are non-executive independent Directors viz. C.A. Vijay K. Thanawala, Mr. Prakash B. Nimbalkar, Mr. Ajit B. Karnik and Mr. M. Radhakrishnan, Jt. Managing Director.

CA. Vijay K. Thanawala is the Chairman of the audit committee. All members of the Audit Committee are financially literate and CA. Vijay K. Thanawala, Mr. M.Radhakrishnan and Mr. Prakash B. Nimbalkar have accounting or related financial management expertise. Mr. Ashutosh B. Kulkarni, Company Secretary is the secretary to the committee. The Statutory Auditors and head of finance were invited to attend the meetings of the committee.

The terms of reference of the Audit committee are wide enough to cover the matters specified for Audit Committee under clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956 and inter-alia includes:

a. To discuss with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors.

b. To ensure compliance with internal control systems, and

c. To review the quarterly, half-yearly and annual financial statements before submission to the Board.

d. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

e. Recommending the appointment and removal of statutory auditor, fixation of audit fee and also approval for payment for any other services.

f. Reviewing with the management the annual financial statements before submission to the Board, focusing primarily on :

- Any changes in accounting policies and practices.
- Matters required to be included in the Directors' Responsibility Statement to be included in the Board's Report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
- Major accounting entries involving estimates based on exercise of judgment by the management.
- Qualifications in draft audit report.
- Significant adjustments arising out of audit.
- The going concern assumption.
- Compliance with accounting standards.
- Compliance with stock exchange(s) and legal requirements concerning Financial statements.
- Any related party transactions i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the Company at large.

g. Reviewing with the management, performance of statutory and internal auditors, and the adequacy of internal control systems.

h. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

i. Discussion about any significant findings of internal auditors and follow up there on.

j. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

k. Discussion with external auditors, before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

l. Reviewing the Company's financial and risk management policies.

m. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends and creditors.)

During the year under review, four Audit Committee meetings were held on 27th June, 2008, 30th July, 2008, 31st October, 2008, and 28th January, 2009.

Attendance at the Audit Committee meetings:

Name of the Director	No. of meetings held	No. of meetings attended
CA. Vijay K. Thanawala	4	4
Mr. Prakash B.Nimbalkar	4	4
Mr. Ajit B. Karnik	4	3
Mr. M. Radhakrishnan	4	4

2. Remuneration Committee

The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Director and Wholetime Directors and Senior Management, based on their performance and defined assessment criteria. The committee has overall responsibility for approving and evaluating the Executive Directors and Senior Management compensation plans, policies and programmes.

The Remuneration Committee consists of CA. Vijay K. Thanawala, Prof. Abraham Koshy and Cmde. N. Ravindranathan IN (Retd). All are Non-Executive and Independent Directors.

CA. Vijay K. Thanawala is the Chairman of Remuneration Committee.

The meeting of the Remuneration Committee was held on 29th July, 2009 to recommend the remuneration payable to the executive directors for the remainder period of their appointment.

Attendance at the Remuneration Committee meeting:

Name of the Director	No. of meetings held	No. of meetings attended
CA. Vijay K. Thanawala	1	1
Prof. Abraham Koshy	1	—-
Cmde. N. Ravindranathan IN (Retd)	1	1

The details of remuneration paid to Directors of the Company during the financial year 2008-2009 are given below:

(Rs. in Millions except share data)

Name and Designation of the Directors	Salary & Perquisites	Commission - 1% of net profits	Sitting Fees for Board and Committee meetings	No. of equity shares held	Service Contract
Mr. Gopal G. Patwardhan* Non-executive Chairman	1.30	0.08	0.01	1,278	Period 19.7.07 to 20.12.08
Mr. Shivaji T. Akhade Managing Director & Chief Executive Officer	3.60	Nil	Nil	5,61,181	5 years w.e.f. 1.10.06
Mr. M. Radhakrishnan Jt. Managing Director	3.00	Nil	Nil	52,853	5 years w.e.f. 1.10.06
Mr. Sudhir V. Mungase Wholetime Director	3.00	Nil	Nil	5,58,458	5 years w.e.f. 1.10.06
Mr. Prakash B. Nimbalkar Non-executive & Independent Director	Nil	0.08	0.14	325	—-
CA. Vijay K. Thanawala Non-executive & Independent Director	Nil	0.08	0.09	25	—-
Prof. Abraham Koshy Non-executive & Independent Director	Nil	0.08	0.03	Nil	—-
Mr. Ajit B. Karnik Non-executive & Independent Director	Nil	0.08	0.03	Nil	—-
Mr. J. Stanton Dodson Non-executive Director	Nil	0.08	0.03	Nil	—-
Cmde. N. Ravindranathan IN (Retd) Non-executive & Independent Director	Nil	0.08	0.06	200	—-
Prof. Chandramouli Padmanabhan Non-executive & Independent Director**	Nil	0.08	0.01	Nil	—-
Mr. Rakesh Jhunjhunwala Non-executive Director	Nil	0.08	Nil	5,20,000	—-
Mr. Charuchandra Shrotri***	Nil	Nil	0.01	3,000	—-

* Mr. Gopal G. Patwardhan, resigned as Executive Chairman w.e.f . 20th December, 2008, but continues to be Non-executive Chairman.

** Prof. Chandramauli Padmanabhan appointed as an additional director w.e.f. 30th September, 2008.

*** Mr. Charuchandra Shrotri ceased to be an Alternate Director w.e.f. 29th July, 2009.

During the year under review, none of the Non-Executive Directors of the Company had any material pecuniary relationships and/or transactions with the Company.

The Company does not have a scheme for grant of stock options for the year ended 31.3.09.

The criteria for making payment to Non-Executive Directors :

All Non-Executive Directors of your Company receive sitting fees for each meeting of Board and Committee thereof attended by them. The shareholders of the Company vide Special Resolution passed at the Extraordinary General Meeting held on 23rd March, 2007 have approved the payment of commission not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 to the Non-Executive Directors and accordingly are distributable as commission, amongst the Non-Executive Directors considering the special services and efforts rendered by them. Other than sitting fees and

commission on the net profits of the Company, no other remuneration is paid to the Non- Executive Directors for Financial Year 2008-09.

The remuneration paid to Managing Director, Jt. Managing Director and Wholetime Directors are within the ceiling prescribed under the provisions of the Companies Act, 1956. The shareholders at the Eleventh Annual General Meeting held on 1st September, 2007, had approved payment of Commission to the Managing Director, Jt. Managing Director and Wholetime Directors and authorised the Board of Directors to fix the commission for each financial year depending upon the net profits of the Company (overall remuneration shall not exceed 10% of net profits of the Company). In order to conserve the resources, the Board of Directors for the financial year 2008 -09 has decided not to pay commission to the Managing and Wholetime Directors.

Service contracts, notice period, severance fees

(Rs. in Millions except share data)

Contract Terms	**Mr. Gopal G. Patwardhan Executive Chairman**	**Mr. Shivaji.T. Akhade Managing Director**	**Mr. M. Radhakrishnan Jt. Managing Director**	**Mr. Sudhir V. Mungase Wholetime Director**
Tenure- Contract Period.	19.07.2007 to 20.12.2008	1.10.2006 to 30.09.2011	1.10.2006 to 30.09.2011	1.10.2006 to 30.09.2011
Remuneration – maximum plus commission ,if any, as may decided by Board.	Rs. 0.15 Millions p.m. Commission- Rs. 0.08 Millions for the year 2008-09.	Rs. 0.30 Millions p.m.	Rs. 0.25 Millions p.m.	Rs. 0.25 Millions p.m.
Number of Convertible Warrants (CWs) issued on 17.6.08 -Rs. 10/- each at a premium of Rs. 240/- per warrant.	2,70,000	1,35,000	Nil	1,35,000

*Mr. Gopal G. Patwardhan, resigned as Executive Chairman w.e.f. 20th December, 2008, but continues to be Non-executive Chairman.

The above Contracts may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. Except the Managing Director and Wholetime Directors, all the members of the Board are liable to retire by rotation.

The Company has also issued 1,35,000 Convertible Warrants(CWs) each to Mrs. Rema Radhakrishnan and Mr. Vilas V. Lande promoters of the Company and 2,70,000 Convertible Warrants to Citadel Advisors FZE, UAE a Foreign Company on 17th June, 2008 entitling warrant holder(s) from time to time to apply for and equivalent number of fully paid up equity shares of Rs. 10/- each at a premium of Rs. 240/- per share. In terms of said guidelines, warrant holder(s) paid 10% of issue price on subscription of warrants and the balance issue price would be payable upon exercise of the right to apply for equity shares within a period of 18 months from the date of allotment of warrants.

Your Company presently does not have performance linked incentives for its Directors. No severance fee is payable.

3. Investors' Grievance and Share Transfer Committee

Investors' Grievance and Share Transfer Committee was constituted on 4th August, 2006. This committee specifically looks into the shareholders' and investors' complaints on matters relating to transfer of shares, non-receipt of annual report, non-receipt of dividend etc. In addition, the Committee also looks into matters that can facilitate better investor services and relations.

The Committee consisting of three members out of which two are Non-Executive Independent Directors viz. Mr. Prakash B. Nimbalkar, Mr. Ajit B. Karnik and one Executive Director, Mr. M. Radhakrishnan. Mr. Prakash B. Nimbalkar is the Chairman of the Committee. The Board has appointed Mr. Ashutosh B. Kulkarni, Company Secretary as the Compliance Officer.

During the year under review, the Committee met on 27th June, 2008, 30th July, 2008, 31st October, 2008 and on 28th January, 2009.

Attendance at the Investors' Grievance and Share Transfer Committee meeting:

Name of the Director	**No. of meetings held**	**No. of meetings attended**
Mr. Prakash B. Nimbalkar	4	4
Mr. Ajit B. Karnik	4	3
Mr. M. Radhakrishnan	4	4

All shares received for transfer were registered and dispatched within thirty days of receipt, if the documents were correct and valid in all respects. There were no pending share transfers as on 31st March, 2009. During the year under review, the Company had received complaints from shareholders relating to refund of application money and dividend. The complaints were duly attended to and there were no complaints pending for more than 30 days as on 31st March, 2009.

C. General Body Meetings

Location and time where last three Annual General Meetings (AGMs) were held:

Financial Year, Day & date	Time	Venue	No. of Special Resolution(s) passed
2007-08 12th AGM, Saturday, 27th September, 2008	3.00 p.m.	"Panchshil Hotel", C-32, MIDC- Telco Road, Chinchwad, Pune 411 019	1. Consent to the Board to create, offer, issue and allot such number of equity shares and/or equity linked instruments and/or any other instruments or securities of the Company not exceeding 8,50,000 Equity Shares at any one point of time under one or more Employees Stock Options Schemes (ESOS) to permanent employees and Directors (except any Director who is Promoter or belongs to promoter group) on such terms and conditions fixed by the Board and each option would be exercisable for one Equity Share of face value of Rs. 10/- each fully paid-up upon payment of requisite exercise price to the Company. 2. Consent to the Board to extend the benefit of ESOS proposed under Item No. 10 of Notice and to offer, issue and allot within the overall limit of 8,50,000 equity shares at any one point of time under one or more ESOS to permanent employees and Directors (except any Director who is Promoter or belongs to promoter group) of Company's present and future subsidiaries whether in India or abroad by creation , offer, issue and allotment of such equity shares and/or equity linked instruments and/or any other instruments or securities of the Company on such terms and conditions fixed by the Board. 3. Subject to the approval of Central Government, increase in maximum number of Directors fixed by the Articles of Association of the Company from 12 to 18 and alteration in Article 86 of Articles of Association to that effect.
2006-07 11th AGM, Saturday, 1st September, 2007	3.00 p.m.	"Hotel Kalasagar", P-4, M.I.D.C Plot, Mumbai –Pune Road, Pimpri, Pune: 411 034	1. Consent to Mrs. Rema Radhakrishnan holding an office or place of profit in the Company as Deputy General Manager HR w.e.f. 1.4.07 in grade of Rs. 30,000-35000-40000-45000. 2. Consent for investment by Foreign Institutional Investors in securities of the Company in excess of 24% of paid up share capital but not exceeding 50 % of paid up capital of the Company. 3. Offer Issue and allot 5,38,125 equity shares to Shareholders of DEP Autoline, USA, Inc (Formerly Detroit Engineered Products, Inc. USA) on preferential basis as part consideration as per SEBI (DIP) Guidelines, 2000. 4. Keeping of Register & Indexes of Members, Share Transfer Registers at the Registered Office and/ or at R&T office i.e. Intime Spectrum Registry Ltd.

Financial Year, Day & date	Time	Venue	No. of Special Resolution(s) passed
2005-06 10th AGM, Wednesday, 27th September, 2006	11.30 a.m.	"Hotel Kalasagar", P-4, M.I.D.C Plot, Mumbai –Pune Road, Pimpri, Pune: 411 034	1. Re-appointment of Mr. Shivaji T. Akhade as a Managing Director, for a further period of 5 years (Five) years with effect from 1st October, 2006 on the terms and conditions including increased remuneration from Rs. 1.00 Lac p.m. to Rs. 3.00 Lacs p.m. subject to provisions of Companies Act, 1956 and limits mentioned in Schedule XIII to the Companies Act, 1956. 2. Re-appointment of Mr. Sudhir V. Mungase as a Wholetime Director, for a further period of 5 years (Five) years with effect from 1st October, 2006 on the terms and conditions including increased remuneration from Rs. 1.00 Lac p.m. to Rs. 2.50 Lacs p.m. subject to provisions of Companies Act, 1956 and limits mentioned in Schedule XIII to the Companies Act, 1956. 3. Re-appointment of Mr. M. Radhakrishnan as a Jt. Managing Director, for a further period of 5 years (Five) years with effect from 1st October, 2006 on the terms and conditions including increased remuneration from Rs. 1.00 Lac p.m. to Rs. 2.50 Lacs p.m. subject to provisions of Companies Act, 1956 and limits mentioned in Schedule XIII to the Companies Act, 1956. 4. Alteration of Articles of Association by inserting new article No. 37 regarding powers to the Board for refusal of transfer /transmission of shares.

Location and time where last Extraordinary General Meeting (EGM) was held-

Financial Year, Day & date	Time	Venue	No. of Special Resolution(s) passed
2007-08 EGM, Tuesday, 3rd June, 2008	11-00 a.m.	"Hotel Kalasagar", P-4, M.I.D.C, Mumbai –Pune Road, Pimpri, Pune: 411 034	1. Consent to the Board to create, offer, issue and allot, from time to time in one or more tranches, not exceeding 12,50,000 equity shares fully paid-up at a price not less than Rs. 235 (including a premium of Rs. 225) per equity share on preferential basis as prescribed under the guidelines for Preferential issues contained in Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. 2. Consent to the Board to create, offer, issue and allot, from time to time in one or more tranches, not exceeding 10,80,000 Warrants (CWs) convertible into equity shares at a price not less than Rs. 250 (including a premium of Rs. 240) per warrant on preferential basis as prescribed under the guidelines for Preferential issues contained in Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. 3. Consent to the Board subject to the approval of the concerned authorities to shift the Registered Office of the Company from "T- 135, MIDC, Bhosari, Pune – 411 026" to "S. Nos. 313, 314, 320 to 323, Nanekarwadi, Taluka – Khed, Dist – Pune 410 501"

	4. Noting of the disclosures made in the explanatory statement as required under Chapter XIII of Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. for the special resolution passed at the Extraordinary General Meeting held on 23rd March, 2007 for issue and allotment of 50,000 equity shares on preferential basis to Mr. Kunju Kutty Aniyan Kunju.

All resolutions as set out in the respective notices were duly passed by the shareholders.

Resolutions Passed Through Postal Ballot :

During the year, two resolutions were passed through postal ballot by the Company's members on 27th September, 2008. The details of which are as under –

a) **Item No. 1** - Ordinary Resolution –under Section 293 (1) (a) of the Companies Act, 1956 seeking members consent for the creation of mortgages/ charges/hypothecation of assets of the Company whatsoever nature on all movable and immovable properties of the Company wheresoever situated, present or future and the whole of the undertaking of the Company within the limits not exceeding upto Rs. 500 Crores.

b) **Item No. 2**- Special Resolution - Section 146(2) of the Companies Act, 1956 seeking members consent for shifting of registered office of the Company from "T- 135, MIDC, Bhosari, Pune – 411 026" to "S. Nos. 313, 314, 320 to 323, Nanekarwadi, Taluka – Khed, Dist – Pune 410 501"

Details of the aforesaid special resolutions passed through postal ballot are as under :

(a) Person who conducted the postal ballot exercise:

The Board appointed Mr. Vinayak Khanvalkar, Partner, Kanj & Associates, Company Secretaries, as the Scrutinizer to conduct postal ballot voting process. Mr. Vinayak Khanvalkar, Scrutinizer conducted the process and submitted his report to the Chairman.

(b) Procedure followed:

(i) The Postal Ballot Notice and accompanying documents were dispatched to shareholders under certificate of posting.

(ii) A calendar of events along with Board Resolution was submitted to the Registrar of Companies, Pune.

(c) Details of voting pattern:

Particulars	In favour			Against			Invalid votes		Total
	No. of ballot papers	No. of votes in favour	%	No. of ballot papers	No. of votes against	%		No. of postal ballot forms	No. of shares
Item No. 1	20	6734055	99.9996	1	25	0.004	—	21	6734080
Item No. 2	20	6734055	99.9996	1	25	0.004	—	21	6734080

After scrutinizing all the ballot forms received, the Scrutinizer reported that the shareholders representing 99.9996% of the total voting strength voted in favour of the resolutions, based on which the results were declared and the resolutions were carried with requisite majority.

None of the items to be transacted at the ensuing Annual General meeting is required to be passed by the postal ballot.

D. Disclosures:

a) Disclosures on materially significant related party transactions

The Company has not entered into any transaction of material nature with the Promoters, Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large. Related party transactions are disclosed in the Notes to Accounts forming part of this Annual Report. Transactions entered into by the Company with related parties during the year were periodically placed before the Audit Committee for review. The Register of Contracts containing transactions, in which Directors are interested, is placed before the Board regularly.

b) Statutory Compliance, Penalties and Strictures:

The Company has complied with the various rules and regulations prescribed by the Stock Exchange(s), Securities and Exchange Board of India (SEBI) and any other statutory authority relating to capital markets. No penalties or strictures have been imposed by them on the Company.

c) Disclosure of Accounting Treatment :

In the preparation of financial statements, the Company has followed Generally Accepted Accounting Principles (followed in India) as prescribed in Accounting Standards.

d) Subsidiary Companies :

The Company has one material non-listed subsidiary viz- Autoline Industrial Parks Limited, whose net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. The Board of Directors of Autoline Industrial Parks Limited at its meeting held on 13th October, 2008 had appointed Mr. Prakash Nimbalkar (independent and non-executive Director of Autoline Industries Limited) on the Board of Autoline Industrial Parks Limited in order to comply with the clause 49(III) (i) of Listing Agreement.

Besides this the Company does not have any other material non-listed subsidiary whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding Company and its subsidiaries in the immediately preceding accounting year. The Audit Committee of the listed holding Company reviews periodically the financial statements, particularly investments made by unlisted subsidiary Company. The minutes of the Board meetings of the unlisted subsidiary Company (ies) are regularly placed at the Board meeting of the listed holding Company. The management periodically brings to the attention of Board of the listed holding Company, a statement of all significant transactions and arrangements entered into by the unlisted subsidiary Company.

e) Proceeds from public issues, preferential issues etc:

The Company has placed periodically before the Audit Committee on quarterly basis as a part of quarterly declaration of financial results and published in newspapers periodically statement of utilization of funds raised through public and preferential issues made by the Company. Further the Company has prepared a statement of funds utilized for purposes other than those stated in prospectus and the same were placed before the audit committee. The above statements were certified by statutory auditors and were placed before audit committee meetings and Board Meetings for their consideration and approvals.

f) Risk Management :

The Company has a defined Risk Management framework. The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

g) Code of Conduct :

The Board of Directors at its meeting held on 4th August, 2006 has adopted code of Business Conduct and Ethics for Directors and Senior Management. The said code has been communicated to the Directors and members of the senior Management. The code has also been displayed on the Company's website – www.autolineind.com. All Directors and senior management have affirmed compliance with the code. A declaration to this effect signed by Managing Director is given in this annual report.

h) Insider Trading :

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct for prevention of Insider Trading' ('the Code') with effect from 1st April, 2007. The code is applicable to all Directors, such designated employees and others who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Ashutosh Kulkarni – Company Secretary has been appointed as Compliance Officer for monitoring adherence to the Regulations.

Means of Communication :

The Company normally publishes its quarterly and/or yearly financial results in the leading national newspapers namely, The Economic Times and/ or Financial Express and/or Business Standard. In addition, the same are published in local language (Marathi) newspapers namely Daily Loksatta/Maharashtra Times etc. and other editions of leading newspapers.

The Company puts forth vital information about the Company and its performance, quarterly & yearly financial results, official news releases, communication & presentation made to the institutional investors and analysts on Company's official website at www.autolineind.com regularly and also for the benefit of the public at large.

The financial results and shareholding pattern are made available on the Stock Exchange Website - www.sebiedifar.nic.in for shareholders/investors information.

II. NON-MANDATORY REQUIREMENTS

A. Office of the Chairman of the Board and reimbursement of expenses by the Company. The Company is presently reimbursing the expenses incurred in performance of duties.

B. Shareholders' rights - furnishing of quarterly & yearly financial results. The Company's quarterly & financial results are published in English and Marathi newspapers having wide circulation.

C. Postal Ballot

The Company will seek shareholders' approval through postal ballot in respect of such resolutions as are laid down in Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as and when the occasion arises.

Adoption of non-mandatory requirements of Clause 49 of the Listing Agreement are being reviewed by the Board from time to time.

Pursuant to clause 49 of the Listing Agreement with the Stock Exchanges on Code of Corporate Governance, Certificate from Statutory Auditors' of the Company regarding compliance of conditions of Corporate Governance by the Company is annexed. The Statutory Auditors Certificate will also be sent to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the Company's shares are listed, along with the annual return to be filed by the Company.

GENERAL SHAREHOLDER'S INFORMATION

i. Annual general meeting

Day, Date and Time : (Friday), 25th September, 2009 at 3.00 p.m.

Venue : S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501

ii. Financial calendar

Financial year : April 1 to March 31

Financial reporting (tentative)

First quarter results : Last week of July, 2009

Quarterly / Half-yearly results : Last week of October, 2009

Third quarter results : Last week of January, 2010

Fourth quarter results : Last week of April, 2010

iii. Dates of book closure : From Saturday, 19th September, 2009 to Friday, 25th September, 2009 (both days inclusive).

iv. Dividend payment : On or after Friday, 25th September, 2009.

v. Listing on Stock Exchanges :

1. Bombay Stock Exchange Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001.
2. National Stock Exchange of India Limited (NSE), Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai-400 051, India.

vi. Stock code - Scrip code (BSE) : **532797, Trading Symbol NSE: AUTOIND**

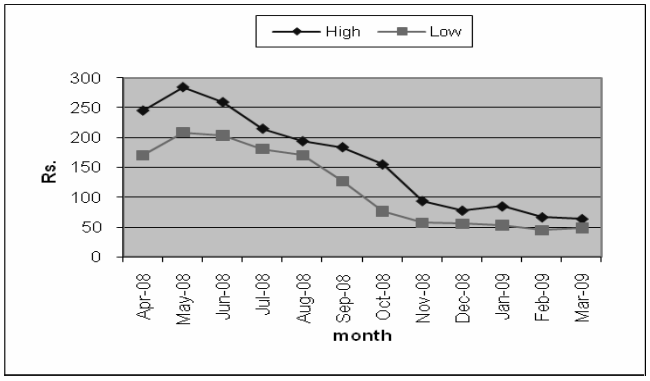
ISIN for Equity shares: INE718H01014

vii. Market price data and share price performance in comparison to broad based indices :

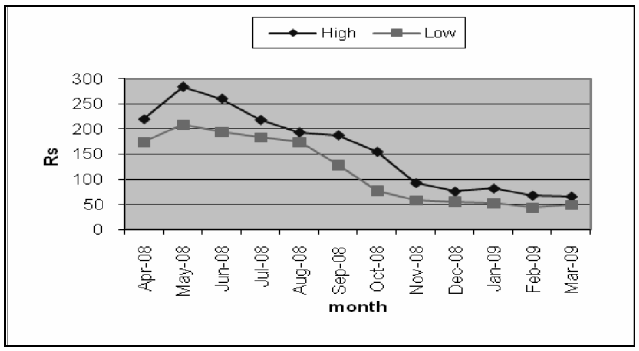
Monthly high and low quotations of shares traded on Stock Exchanges for the period from 1st April, 2008 to 31st March, 2009:

	Bombay Stock Exchange Ltd.				National Stock Exchange of India Ltd.			
	AUTOLINE		SENSEX		AUTOLINE		NIFTY	
Month	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)	High (Rs.)	Low(Rs.)
Apr'08	219.00	174.00	17480.74	15297.96	245.00	170 .00	5230.75	4628.75
May'08	283.50	208.10	17735.70	16196.02	284.00	208.00	5298.85	4801.90
Jun'08	260.00	193.95	16632.72	13405.54	259.00	203.10	4908.80	4021.70
July'08	217.60	183.55	15130.09	12514.02	214.70	180.50	4539.45	3790.20
Aug'08	192.95	174.25	15579.78	14002.43	193.85	170.10	4649.85	4201.85
Sep'08	187.00	128.00	15107.01	12153.55	183.80	126.50	4558.00	3715.05
Oct'08	154.25	76.90	13203.86	7697.39	155.00	76.10	4000.50	2252.75
Nov'08	92.00	58.00	10945.41	8316.39	93.90	57.05	3240.55	2502.90
Dec'08	75.00	55.05	10188.54	8467.43	78.00	55.55	3110.45	2570.70
Jan'09	81.00	52.35	10469.72	8631.60	85.00	53.00	3147.20	2661.65
Feb'09	67.00	44.00	9724.87	8619.22	66.85	45.00	2969.75	2677.55
Mar'09	64.90	49.10	10127.09	8047.17	64.00	48.50	3123.35	2539.45

Bombay Stock Exchange Limited – Month wise High and Low



National Stock Exchange of India Ltd Month wise High and Low



viii. Registrar and Share Transfer Agents : **Link Intime India Pvt. Ltd.**

Block 202,2nd Floor, Akshya Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune-411001, Phone: (020) - 26050084, 26051629

Fax: 020 - 26053503

Email address: **pune@linkintime.co.in**

Web: **www.linkintime.co.in**

ix. Share transfer system : Transfers in physical form have to be lodged with Link Intime India Pvt. Ltd. at the above mentioned address. All shares received for transfer were registered and despatched within thirty days of receipt, if the documents were correct and valid in all respects. The time taken to process dematerialsation of shares is 10 days upon receipt of documents from Depository Participant. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with share transfer formalities under Clause 47(c) of Listing Agreement and filing copy of the same with Stock Exchanges.

x. Distribution of shareholding as on 31st March, 2009

No of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-5000	11785	93.6953	865039	7.0876
5001 -10000	370	2.9416	307994	2.5235
10001 - 20000	190	1.5106	287094	2.3523
20001 -30000	63	0.5009	160982	1.3190
30001 - 40000	36	0.2862	131822	1.0801
40001 - 50000	33	0.2624	156820	1.2849
50001 -100000	50	0.3975	358953	2.9410
100001 and above	51	0.4055	9936265	81.4116
Total	**12578**	**100.00**	**12204969**	**100.00**

xi. Shareholding pattern as on 31st March, 2009

Sr. No	Category	No. of shares held	% of holding
(A)	**Shareholding of Promoter & promoter group**		
I	**Indian**		
A	Individuals	23,44,467	19.2091
B	Bodies Corporate	9,00,000	7.3740
II	**Foreign**	——	——
	Total shareholding of promoter and promoter group – (A)	**32,44,467**	**26.5832**
(B)	**Public shareholding**		
I	**Institution**		
A	Mutual funds	——	——
B	Banks, Financial Institutions	——	——
C	FIIs	29,884	0.2449
	Sub total B (I)	**29,884**	**0.2449**
II	**Non Institutions**		
A	Bodies corporate	22,07,616	18.0878
B	Individuals holding nominal capital up to Rs. 1 Lac	18,64,930	15.2801
C	Individuals holding nominal capital in excess of Rs. 1 Lac	9,77,819	8.0116
D	Clearing member	38,559	0.3159
E	Foreign national	10,763	0.0882
F	Non-resident Indian (repatriation)	6,67,319	5.4676
G	Non-resident Indian (non repatriation)	66,759	0.5470
H	Foreign Companies	18,03,323	14.7753
I	Overseas Bodies Corporate	40,000	0.3277
J	Other Directors and relatives	12,53,530	10.2707
	Sub total B (II)	**89,30,618**	**73.1720**
	Total Public shareholding B(I) + B(II)	**89,60,502**	**73.4168**
(C)	**Shares held by custodians against which Depository receipts have been issued**	——	——
	TOTAL – (A) +(B)+(C)	**1,22,04,969**	**100.00**

xii. Dematerialisation of shares and liquidity

As on 31st March, 2009 total dematted shares are 96,01,019 i.e. 78.66 % of paid up equity share capital of the Company was held in dematerialised form.

xiii. Outstanding GDR/warrants or convertible bonds, conversion dates and likely impact on equity:

The Company has issued and allotted 10,80,000 Convertible Warrants (CWs) on 17th June, 2008 to promoters and other eligible entities as per SEBI (DIP) Guidelines, 2000, entitling the warrant holders to apply for equivalent number of fully paid equity shares of Rs. 10/- each at a price of Rs. 250/- per share. The warrants can be converted into equity shares within 18 months from the date of issue and allotment i.e. on or before 16th December, 2009. 10,80,000 convertible warrants represents 8.129% of post conversion share capital of the Company. Assuming full conversion of warrants, the paid up share capital of the Company will be 1,32,84,969 equity shares of Rs. 10/- each aggregating to Rs. 13,28,49,690/-.

xiv. Plant/ unit locations:

1) S.No. 825, Kudalwadi, Post Chikhali, Taluka -Haveli, Pune- 412 114

2) T-135, MIDC, Bhosari, Pune – 411 026.

3) S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501

4) S. Nos. 313, 314,320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.

5) S. No. 613, Mahalunge, Chakan MIDC, Taluka- Khed, Dist - Pune- 410 501

6) F-II, 24/25 MIDC, Pimpri, Pune- 411 018.

7) E-12-17 (7), MIDC, Bhosari, Pune – 411 026

8) E 12- 17(8), MIDC, Bhosari, Pune – 411 026

9) Plot No. 5, Sector 11,IIE, TML Vendor Park, SIDKUL, Rudrapur, Uttarakhand – 263 153

10) Plot No.6, Sector 11,IIE, TML Vendor Park, SIDKUL, Rudrapur, Uttarakhand – 263 153

11) Plot No. 8, Sector 11,IIE, TML Vendor Park, SIDKUL Rudrapur, Uttarakhand – 263 153

12) 4 & 5th Floor, "Surya Plaza" 214, Navi Peth, L.B.S. Marg, Pune 411 030.

13) 2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

Foreign unit locations:

1) DEP Autoline, LLC.USA :(formerly known as Detroit Engineered Products, Inc. USA) -560 Kirts Blvd., Suite 103, Troy, Michigan – 48084, USA

2) Autoline Industries USA, Inc :100, Commerce Street, Butler, IN. 46721 USA

3) Union Autoline Spare Parts, LLC. – P.O. Box – 106974, Abu Dhabi, UAE

4) Koderat Investments Limited – P.O. Box 58184, 2nd Floor, Cassandra Centre, 29, Theklas Lyssioti Street, 3731, Limassol, Cyprus

5) SZ Design Srl & Zagato Srl - Via Arese, 30 – 20017, Terrazzano di Rho (MI) – Italy.

xv. Address for correspondence : Mr. Ashutosh Kulkarni, Company Secretary

Autoline Industries Limited

S.Nos.313, 314,320 to 323, Nanekarwadi,

Chakan, Taluka- Khed, Dist- Pune: 410 501,

Tel : +91 2135- 664857; Fax: +91 2135- 664853/64

Email: ashutosh.kulkarni@autolineind.com

Website: www.autolineind.com

Investor Grievance Cell

Email: investorservices@autolineind.com

CEO & CFO CERTIFICATION

To,

The Board of Directors,

Autoline Industries Limited

The Managing Director & Chief Executive Officer and Chief Financial Officer appointed in terms of Clause 49 of the Listing Agreement, certify to the Board that:

a) The Financial Statements and Cash Flow Statements for the year 1st April, 2008 to 31st March, 2009 have been reviewed and to the best of their knowledge and belief ;

   1. these statements present true and fair view of the Company's affairs and are in the compliance with existing accounting standards, applicable laws and regulations.

   2. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.

b) To the best of their knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.

c) They accept the responsibility for establishing and maintaining internal control for financial reporting and that they have evaluated the effectiveness of the Company's internal control system pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, the deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

d) They indicated to the Auditors and Audit Committee:

   1. Significant changes in Internal Control over financial reporting during the year.

   2. Significant changes in Accounting Policies during the year and that the same have been disclosed in the notes to the financial statements.

   3. Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Autoline Industries Limited | **For Autoline Industries Limited**

(Shivaji T. Akhade) | **(Sanjay A. Landge)**

Managing Director & CEO | **Chief Financial Officer**

Place : Pune

Dated : 29th July,2009

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO CODE OF CONDUCT.

In accordance with Clause 49 sub clause I(D) of the Listing Agreement with the Bombay Stock Exchange Limited and National Stock Exchange of India Limited, I hereby confirm that all the Directors and the senior management personnel of the Company have affirmed compliance to their respective Codes of Conduct as applicable to them for the financial year ended 31st March, 2009.

For Autoline Industries Limited

Place : Pune | **(Shivaji T. Akhade)**

Dated : 29th July,2009 | **Managing Director & CEO**

AUDITOR'S REPORT

To,

The Members,

AUTOLINE INDUSTRIES LIMITED

We have audited the attached **BALANCE SHEET** of **AUTOLINE INDUSTRIES LIMITED** as at **31st March, 2009,** the Profit & Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

1. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards required that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall presentation of the financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

2. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) of Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to information and explanation given to us, we enclose in the annexure hereto a statement on the matters specified in paragraph 4 & 5 of the said order to the extent applicable to company.

3. Further to our comments in the Annexure referred to in paragraph 2 above we **Report that:**

   a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit.

   b) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books of accounts.

   c) The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the Books of Accounts.

   d) In our opinion and subject to Note to Accounts Schedule "24", the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the requirement of the Accounting Standard referred to in sub Section (3C) of Section 211 of Companies Act, 1956.

   e) On the basis of the written representation received from the Directors as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 for being appointed as a Director of the Company in terms of clause (g) of Sub-Section (1) of Section 274 of the Companies Act, 1956.

   f) In our opinion and to the best of our information and according to the explanations given to us the said accounts read together with Significant Accounting Policies, and Notes thereon gives the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

      i) In case of the Balance Sheet, of the state of affairs of the Company as on **31st March, 2009.**

      ii) In the case of the Profit & Loss Account of the **Profit** for the year ended on that date.

      iii) In case of Cash Flow Statement, of the **Cash Flows** for the year ended on that date.

FOR GUJAR RAWAT SHETH & ASSOCIATES.

CHARTERED ACCOUNTANTS.

(MOHAN R. GUJAR)

PARTNER.

MEMBERSHIP NO. 30305

PLACE : PUNE.

DATE : 17TH JUNE, 2009

ANNEXURE TO AUDITOR'S REPORT

[Annexure Referred to in paragraph 2 of the Auditors' Report of even date to the members of AUTOLINE INDUSTRIES LIMITED on the Accounts for the Year Ended on 31st March, 2009]

1) In respect of Fixed Assets :

   a) The Company has generally maintained proper records showing particulars including quantitative details and situation of Fixed Assets on the basis of information available.

   b) According to the information and explanation given to us, the fixed assets are physically verified by the management according to the phased programme which in our opinion is reasonable having regard to the size of the company and the nature of its assets. On physical verification by the management no major discrepancies between the book record and physical inventory have been noticed.

   c) In our opinion, the company has not disposed off a substantial part of its Fixed Assets and the going concern status is not affected.

2) In respect of its Inventories :

   a) The inventory of the Company has been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable.

   b) In our opinion, and according to the information and explanations given to us, the procedures as explained to us and which are followed by the Management for physical verification of inventory are reasonable and adequate in relation to the size of the Company and the nature of its business.

   c) According to the information and explanations given to us no material discrepancies were noticed on physical verification of stocks as compared to book records, minor discrepancies noticed were properly dealt with, in the books of accounts, which were not material considering the size of the Company's operation.

3) a) As per the information and explanation given to us, the company has granted unsecured loan to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The year end balance is Rs. 9,68,73,718/- and has been given to two parties.

   b) The advance given by the Company is to subsidiaries and as such the terms and conditions on which this advance given is not prejudicial to the interest of the Company.

   c & d) There is no prescribed stipulation of repayment of the Advance and is payable on demand and therefore question of overdue amount does not arise.

   e) As per the information and explanation given to us, the company has taken loans, secured or unsecured, from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The year end balance is Rs. 17,78,26,145/- and is from three parties.

   f) The advance accepted by the company is from subsidiary company and as such the terms and conditions of this advance is not prejudicial to the interest of the company.

   g) There is no prescribed stipulation of repayment of the Advance and is payable on demand.

4) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased/ services availed are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

5) In respect of transactions covered under Section 301 of the Companies Act, 1956 :

   a) Based on the audit procedures applied by us and according to the information and explanations provided by the Management we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 have been so entered.

   b) In our opinion and according to the information and explanations given to us, and excluding certain transactions of purchase of goods/ services availed and material of special nature for which alternative quotations are not available, where each of such transaction is in excess of five lakh rupees in respect of any party, transactions have been made at prices which are prima facie reasonable having regard to prevailing market prices at the relevant time.

6) According to information and explanation given to us, the Company has not accepted any deposits during the year from public within the meaning of the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the rules framed there under. Hence, clause 4 (VI) of the order is not applicable.

7) In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.

8) The Central Government of India, under clause (d) of Sub - Section (1) of Section 209 of the Companies Act, 1956 has prescribed the maintenance of cost records. The Company is in the process of preparing the cost record and the accounts.

9) a) According to the information and explanations given to us and according to the books and records as produced and examined by us, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, E.S.I., Income Tax, Sales Tax (VAT), Wealth Tax, Service Tax, Excise Duty, Customs Duty, Cess and any other material statutory dues, to the extent applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given, no undisputed amounts payable in respect of aforesaid dues were outstanding as at 31st March, 2009, for a period of more than six months from the date they became payable.

   b) As at 31st March, 2009, according to the records of the Company and on the basis of information and explanations given to us, there are no disputed dues in respect of Sales Tax (VAT), Income Tax, Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess.

10. The company has no accumulated losses as at March 31, 2009, and has not incurred any cash losses during the financial year ended on that date and in the immediately preceding financial year.

11. Based on our audit procedures and on the information and explanations given by the Management, in our opinion, the Company has not defaulted in repayment of its dues to any financial institution or bank or Debenture holder as at the balance sheet date.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute and provisions applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to the Company.

14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.

15. In our opinion, and according to the information and explanations given to us, the Company has given corporate guarantee for the loans taken by a subsidiary company from banks or financial institutions. In our opinion the terms and conditions thereof are not prejudicial to the interest of the company.

16. According to the information and explanation given to us, company has raised term loan during the year. On the basis of the information and explanation given to us and on an overall examination of the financial statements of the company, we are of the opinion that, prima facie the term loan is applied for the purposes for which they were obtained.

17. According to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that the funds raised on short term basis have been used for long term purposes.

18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956.

19. No debentures have been issued during the year.

20. During the year the Company has not raised money by public issue.

21. During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

FOR GUJAR RAWAT SHETH & ASSOCIATES.

CHARTERED ACCOUNTANTS.

(MOHAN R. GUJAR)
PARTNER.
MEMBERSHIP NO. 30305

PLACE : PUNE.

DATE : 17TH JUNE, 2009.

AUTOLINE

BALANCE SHEET AS AT 31ST MARCH, 2009

Particulars	SCH No.	31.03.2009 Rs.	31.03.2008 Rs.
SOURCES OF FUNDS			
(1) Owners Funds			
(a) Share Capital	1	122,049,690	109,549,690
(b) Share Warrants	1A	27,000,000	–
(c) Reserves and Surplus	2	1,610,798,668	1,301,997,862
		1,759,848,358	1,411,547,552
(2) Borrowed Funds			
(a) Secured Loans	3	870,343,524	769,549,372
(b) Unsecured Loans	4	527,623,270	376,599,316
		1,397,966,794	1,146,148,688
(3) Deferred Tax Liability (Net)	5	48,342,000	36,617,500
TOTAL		**3,206,157,152**	**2,594,313,740**
APPLICATION OF FUNDS			
(1) Fixed Assets	6		
(a) Gross Block		2,270,442,062	1,712,758,804
(b) Less: Accumulated Depreciation		221,588,557	145,743,001
(c) Net Block		2,048,853,505	1,567,015,803
(2) Investments	7	856,222,500	606,023,450
(3) Current Assets, Loans and Advances			
(a) Inventory	8	211,172,202	191,608,814
(b) Sundry Debtors	9	210,326,002	196,286,636
(c) Cash and Bank Balances	10	12,027,721	40,489,139
(d) Other Current Assets	11	307,953,954	368,434,249
		741,479,878	**796,818,839**
Less : Current Liabilities and Provisions			
Current Liabilities	12	418,663,266	269,628,334
Provisions	13	22,534,204	105,916,017
		441,197,470	**375,544,351**
Net Current Assets		300,282,408	421,274,487
(4) Miscellaneous Expenses (Asset) (To the Extent not written off or adjusted)	14	798,739	–
Significant Accounting Policies and Notes to Accounts	24		
TOTAL		**3,206,157,152**	**2,594,313,740**

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
(MOHAN R. GUJAR)
PARTNER
M. NO. 30305
PLACE : PUNE
DATE : 17th June, 2009

FOR & ON BEHALF OF THE BOARD

GOPAL PATWARDHAN
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

SANJAY LANDGE
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	SCH. NO.	31.03.2009 Rs.	31.03.2008 Rs.
INCOME			
Gross Sales	15	2,631,941,597	3,022,902,619
Less : Excise Duty		291,215,204	356,634,437
Sales (Net)		2,340,726,393	2,666,268,181
Miscellaneous Income	16	18,656,114	11,622,106
(Increase) / Decrease of Finished Goods	17	14,069,899	(12,015,343)
TOTAL		**2,373,452,406**	**2,665,874,944**
EXPENDITURE			
Cost of Material Consumed	18	1,576,631,679	1,748,604,653
Other Manufacturing Expenses	19	402,242,429	393,837,710
Employment Cost	20	121,860,570	77,828,958
Administrative Expenses & General Expenses	21	42,159,628	49,283,283
Selling Expenses	22	12,049,357	8,186,817
Preliminary & Miscellaneous Expenses written off		199,685	–
TOTAL OPERATING EXPENSES		**2,155,143,348**	**2,277,741,421**
Profit before Depreciation, Interest and Tax		**218,309,058**	**388,133,522**
Interest and Financial Charges	23	71,677,679	45,264,040
Profit before Depreciation and Tax		**146,631,379**	**342,869,482**
Depreciation	6	84,190,935	43,217,508
Profit before Tax		**62,440,444**	**299,651,974**
Provision for Income Tax and Wealth Tax		7,350,000	33,800,000
Provision for Fringe Benefit Tax		845,000	720,000
Provision for Deferred Tax Liability (Net)		8,675,000	20,780,000
Previous year adjustment (Excess Tax Provision W/Back)		(140,000)	–
Profit After Tax		**45,710,444**	**244,351,974**
Balance Brought Forward		**292,325,200**	**144,369,242**
Amount available for Appropriations		**338,035,644**	**388,721,216**
Appropriations			
Dividend (Incl. Dividend Distribution Tax)(Proposed final dividend 10%) (Previous Year final Dividend of 50%)		14,279,204	71,396,017
Transfer to General Reserve		1,200,000	25,000,000
Balance Carried to Balance Sheet		**322,556,440**	**292,325,200**
Earning per Share (Basic)(Par Value Rs. 10 each)		3.75	22.31
Earning per Share (on Weighted Average)		3.90	23.24
(Refer Note 13, Notes to Account Schedule No. 24)			
Significant Accounting Policies and Notes to Accounts	24		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
(MOHAN R. GUJAR)
PARTNER
M. NO. 30305
PLACE : PUNE
DATE : 17th June, 2009

FOR & ON BEHALF OF THE BOARD

GOPAL PATWARDHAN
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

SANJAY LANDGE
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

	Particulars	31-03-2009 Rs.	31-03-2008 Rs.
A	**Cash Flow from Operating Activities**		
	Net Profit after Tax	45,710,444	244,351,975
	Adjustment for :		
	Depreciation	84,190,935	43,217,508
	Depreciation on Assets Deducted	(9,176,313)	(1,337,187)
	Amortisation of Miscellaneous Expenditure	199,685	–
	Deferred Tax Liability (Net)	8,675,000	20,780,080
	Operating Profit before Working Capital Changes	**129,599,751**	**307,012,296**
	Adjustment for :		
	Trade and Other Receivable	46,440,930	(314,715,702)
	Inventories	(19,563,387)	176,064,028
	Misc. Expenditure	(998,424)	–
	Trade Payables and Other Payable	65,653,119	76,447,687
	Cash Generated from Operations	**221,131,988**	**244,808,309**
	Net Cash from Operating Activities	**221,131,988**	**244,808,309**
B	**Cash Flow from Investing Activities**		
	Acquisition of Fixed Assets (Net)	(557,683,258)	(732,315,978)
	Investments	(250,199,050)	(547,974,200)
	Net Cash from Investing Activities	**(807,882,308)**	**(1,280,290,178)**
C	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings (Net)	251,818,107	770,985,406
	Equity Capital & Share Premium	320,750,000	235,425,000
	Dividend	(14,279,204)	(71,396,017)
		558,288,903	935,014,389
	Net Increase in Cash & Cash Equivalent	(28,461,417)	(100,467,480)
	Cash & Cash equivalent as at 01.04.2008	40,489,139	140,956,619
	Cash & Cash equivalent as at 31.03.2009	12,027,721	40,489,139
	Net Increase in Cash & Cash Equivalent	(28,461,417)	(100,467,480)

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
(MOHAN R. GUJAR)
PARTNER
M. NO. 30305
PLACE : PUNE
DATE : 17th June, 2009

FOR & ON BEHALF OF THE BOARD

GOPAL PATWARDHAN
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MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

SANJAY LANDGE
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

Schedules Forming Part of Balance Sheet as at 31st March, 2009

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE " 1 " SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
250,00,000 Equity Shares of Rs. 10 each	250,000,000	150,000,000
(Previous Year 150,00,000 Equity Shares of Rs.10/- each)		
TOTAL AUTHORISED SHARE CAPITAL	**250,000,000**	**150,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
122,04,969 Equity Shares of Rs. 10 Each.	122,049,690	109,549,690
(During the period 12,50,000 Equity Shares of Rs. 10 Each were issued and allotted on preferential basis for Cash consideration)		
(Prev. Year 109,54,969 Equity Shares of Rs. 10 each.)		
(Include 20,04,728 Equity Shares of Rs. 10 each, which have been issued as fully paid Bonus Shares by Capitalising Free Reserves and Share Premium and 588,125 Equity Shares of Rs. 10 Each. were issued for consideration other than cash.)		
TOTAL	**122,049,690**	**109,549,690**
SCHEDULE " 1 A " SHARE WARRANTS	**27,000,000**	**–**
10,80,000 Convertible Warrants of Rs. 250/- Each, Rs.25 received		
TOTAL	**27,000,000**	**–**
SCHEDULE " 2 " RESERVES AND SURPLUS		
REVALUATION RESERVE		
Opening Balance	830,934	1,729,205
Less : Depreciation on Revalued Assets	830,934	898,271
Closing Balance	–	830,934
SHARE PREMIUM		
Opening Balance	958,341,728	731,847,478
Add : During the Year	281,250,000	229,543,750
Less: Deferred Tax Asset of Share IPO Expenses	3,049,500	3,049,500
	1,236,542,228	958,341,728
GENERAL RESERVE		
Opening Balance	50,500,000	25,500,000
Add : Transferred During the Year	1,200,000	25,000,000
	51,700,000	50,500,000
PROFIT AND LOSS ACCOUNT		
Profit & Loss Account	322,556,440	292,325,200
TOTAL	**1,610,798,668**	**1,301,997,862**

Schedules Forming Part of Balance Sheet as at 31st March, 2009

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE " 3 " SECURED LOANS		
Citi Bank ECB Loan	372,502,056	397,502,056
Citi Bank Term Loan	112,500,000	162,500,000
Citi Bank Cash Credit A/c	19,961,134	19,775,594
Barclays Bank Ltd., PLC FCCC	89,478,436	81,586,172
Barclays Bank Ltd., PLC CC	45,000,000	45,000,000
Kotak Mahindra Bank Cash Credit	38,410,067	61,253,602
State Bank of India (Corporate Loan)	116,952,933	–
[Exclusive 1st charge on Land, Building, P&M and other fixed assets located at Chakan unit III - Mahalunge Personal Guarantee of Director]		
State Bank of India (Term Loan)	75,029,281	–
Vehicle Loans		
HDFC Bank	–	284,982
ICICI Bank	–	154,868
ICICI Bank	–	203,296
Kotak Mahindra Bank	–	244,015
Tata Motors Finance Ltd.	509,617	1,044,787
[The above Loans have been secured by hypothecation of Vehicles owned by the Company.].		
TOTAL	**870,343,524**	**769,549,372**
SCHEDULE " 4 " UNSECURED LOANS		
Unsecured Loan (Sales Tax Deferral)	26,599,316	26,599,316
Unsecured Loan (Others)	501,023,954	350,000,000
TOTAL	**527,623,270**	**376,599,316**
SCHEDULE " 5 " DEFERRED TAX LIABILITY		
DEFERRED TAX LIABILITY	55,313,700	47,824,700
DEFERRED TAX ASSETS	6,971,700	11,207,200
DEFERRED TAX LIABILITY (NET)	**48,342,000**	**36,617,500**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2009

SCHEDULE 6 : FIXED ASSETS :

SR. NO	ASSET	RATE (%)	GROSS BLOCK AS ON 01.04.2008	GROSS BLOCK ADDITIONS	GROSS BLOCK TRANSFERS	GROSS BLOCK DEDUCTIONS	GROSS BLOCK AS ON 31.03.2009	DEPRECIATION AS ON 01.04.2008	DEPRECIATION FOR THE YEAR	DEPRECIATION TRANSFERS	DEPRECIATION DEDUCTIONS	DEPRECIATION AS ON 31.03.2009	NET BLOCK AS ON 31.03.2009	NET BLOCK AS ON 31.03.2008
1	LAND & DEVELOPMENT	-	89,018,151	1,764,778	-	90,782,929	-	-	-	-	-	-	90,782,929	89,018,151
2	BUILDING	3.34	408,546,751	136,856,970	-	-	545,403,722	22,463,521	14,673,731	-	-	37,137,252	508,266,469	386,083,230
3	PLANT & MACHINERY	4.75	616,700,040	201,325,723	37,045,692	832,000	780,148,072	57,144,804	29,841,536	5,048,129	145,881	81,792,329	698,355,742	559,555,237
4	TOOLS AND DIES	11.31	134,380,674	53,421,153	11,866,758	-	175,935,068	42,653,345	15,132,358	3,934,553	-	53,851,150	122,083,918	91,727,329
5	COMPUTERS AND SOFTWARES	16.21	34,398,384	6,764,569		-	41,162,954	12,076,181	6,133,120	-	-	18,209,300	22,953,653	22,322,204
6	ELECTRICAL FITTINGS	6.33	52,628,269	22,552,668	281,042	-	74,899,894	5,820,632	3,753,607	47,751	-	9,526,489	65,373,405	46,807,636
7	FURNITURE	6.33	10,559,113	2,533,348	-	-	13,092,461	1,448,979	669,271	-	-	2,118,250	10,974,211	9,110,134
8	VEHICLES	9.50	14,847,401	1,685,597	-	-	16,532,998	3,560,587	1,512,174	-	-	5,072,761	11,460,237	11,286,814
9	OFFICE EQUIPMENTS	7.07	4,670,744	684,124	-	-	5,354,867	574,953	330,487	-	-	905,439	4,449,428	4,095,791
10	CAPITAL WIP	-	217,253,426	151,799,945		213,994,045	155,059,326	-	-	-	-	-	155,059,326	217,253,426
11	R & D PROCESS DEVELOPMENT	10.00	129,755,852	-	-	-	129,755,852	-	12,975,585	-	-	12,975,585	116,780,267	129,755,852
12	CAPITAL WIP (RUDRAPUR)	-	-	242,313,919	-	-	242,313,919	-	-	-	-	-	242,313,919	-
TOTAL			1,712,758,805	821,702,794	49,193,492	214,826,045	2,270,442,062	145,743,001	85,021,869	9,030,432	145,881	221,588,557	2,048,853,505	1,567,015,804
Excess Depreciation on Revalued Assets Charged to Revaluation Reserve									830,934					
Depreciation charged to Profit and Loss Account									84,190,935					
PREVIOUS YEAR			980,442,826	741,515,533		9,199,555	1,712,758,804	102,964,409	44,115,779		1,337,187	145,743,001	1,567,015,803	877,478,417

Schedules Forming Part of Balance Sheet as at 31st March, 2009

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE " 7 " INVESTMENTS AT COST (UNLESS OTHERWISE STATED)		
Investments		
Unquoted in Subsidiary Companies		
Western Pressing Ltd.		
(13,00,000 Equity Shares of Rs. 10 each fully paid)	19,500,000	19,500,000
Autoline Design Software Ltd.		
(21,40,816 Equity Shares of Rs 10 each fully paid)	36,788,900	36,788,900
(14,12,926 12% Cumulative Redeemable Pref. Shares of Rs.10 each fully paid)	14,129,260	14,129,260
Autoline Industrial Parks Ltd.	165,499,940	165,499,940
(2,48,19,994 Equity Shares of Rs.10 each fully paid)		
Nirmiti Autocomponents Pvt. Ltd.	46,949,396	19,250,000
(1,92,062 Equity Shares of Rs.100 each fully paid)		
Autoline Industries USA Inc (USD 900,000)	35,811,000	35,811,000
(1,00,000 Shares/ Stock of $ 1 each fully paid)		
(8,00,000 Shares/ Stock Application money of $ 1 each)		
DEP Autoline LLC., USA	313,029,000	313,029,000
(30,600 Stock/ Shares of $ 1 each fully paid)		
Nuvent Technologies Pvt. Ltd.		
(25,500 Equity Shares of Rs. 10/- each fully paid)	255,000	255,000
Koderat Investments Limited (Cyprus)	67,280	–
(1,000 Shares/ Stock of Euro 1 each fully paid)		
(Share Application Money)	222,432,374	–
(Advance for investment in SZ Design SRL, Italy to Koderat Investments Limited)		
Other Investments-Long Term		
Quoted-In fully paid equity shares		
Bank of Baroda		
(1,660 Shares of Rs. 10 each @ Rs. 230 per Share)	381,800	381,800
(Market Value of Share - 3,89,353/-)		
Unquoted		
Rupee Co-op. Bank Ltd.	878,550	878,550
Vasantdada Shetkari Sahakari Bank Ltd.	500,000	500,000
TOTAL	**856,222,500**	**606,023,450**
SCHEDULE " 8 " INVENTORY		
Finished Goods	25,184,647	11,114,749
Work-in-progress	23,786,050	27,640,083
Raw Material, Consumables & Bought outs	160,619,214	150,628,748
Stock In Transit	1,582,291	2,225,235
(As taken, valued and certified by the Management)		
TOTAL	**211,172,201**	**191,608,814**
SCHEDULE " 9 " SUNDRY DEBTORS		
(Unsecured and Considered Good)		
Less Than 6 Months	203,797,406	181,763,073
More Than 6 Months	6,528,596	14,523,562
TOTAL	**210,326,002**	**196,286,635**

Schedules Forming Part of Balance Sheet as at 31st March, 2009

Particulars	As at 31.03.2009	As at 31.03.2008
SCHEDULE " 10 " CASH AND BANK BALANCE		
Cash in hand	54,098	1,078,182
Balance with Scheduled Banks	4,361,767	3,624,036
Balance with Other Banks	5,362,251	2,956,163
(Of the Above Rs. 3,07,532/- is outstanding in dividend unpaid account		
Fixed Deposits with Banks	2,249,605	32,830,758
TOTAL	**12,027,721**	**40,489,139**
SCHEDULE " 11 " OTHER CURRENT ASSETS		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED		
Income Tax & FBT (NET)	65,529,767	78,515,809
Excise , Service Tax Incl. Edu. Cess	127,965,194	118,224,908
Deposit Govt Authorities	10,152,965	5,903,765
Trade Deposits	4,758,983	2,572,583
Subsidiary Company Account		
Autoline Design Software Ltd	24,500,242	3,608,205
Autoline Industrial Parks Ltd.	--	1,423,645
Autoline Industries USA Inc	72,373,476	86,927,841
Nirmiti Autocomponents Pvt. Ltd.	--	69,338,032
Other Current Account		
Prepaid Expenses	2,673,327	1,919,462
TOTAL	**307,953,954**	**368,434,249**
SCHEDULE " 12 " CURRENT LIABILITIES		
Sundry Creditors (Include for goods, Services)	317,380,977	215,705,193
Sundry Creditors for Capital Goods	61,526,524	12,570,121
OTHER CURRENT LIABILITIES :		
TDS Payable	3,145,676	2,141,235
Profession Tax Payable- (Employees)	75,640	78,430
Outstanding Expenses	18,417,609	21,370,867
Sales Tax Payable	13,689,797	14,189,735
Wages and Salary Payable	4,119,512	3,420,140
Unclaimed Final Dividend (07-08)	123,475	--
Unclaimed Interim Dividend (07-08)	68,611	68,611
Unclaimed Dividend (06-07)	115,446	84,002
TOTAL	**418,663,266**	**269,628,334**
SCHEDULE " 13 " PROVISIONS		
Provision for Income Tax & FBT	8,255,000	34,520,000
Dividend (Incl. Dividend Tax) Payable	14,279,204	71,396,017
TOTAL	**22,534,204**	**105,916,017**
SCHEDULE " 14" MISCELLANEOUS EXPENSES (ASSET)		
(To the extent not written off)		
Share issue expenses	296,914	--
Expenses for increase in Authorized Share Capital	701,510	--
	998,424	--
Less: Written off during the year	199,685	
TOTAL	**798,739**	**--**

Schedules Forming Part of Profit & Loss Account for The Year Ended 31st March, 2009

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
SCHEDULE " 15 " SALES		
SALES	2,631,941,597	3,022,902,619
(Inclusive of Excise Duty of Rs.291,215,204/-)		
(Previous Year Rs. 356,634,437/-)		
	2,631,941,597	**3,022,902,619**
SCHEDULE " 16 " MISCELLANEOUS INCOME		
Interest Received	7,903,365	8,553,454
Other Income	10,447,495	1,938,811
Dividend Received	91,373	1,129,842
Profit on Sale of Machinery	213,881	--
	18,656,114	**11,622,106**
SCHEDULE " 17 " INCREASE/ (DECREASE) IN FINISHED GOODS		
Opening Stock	11,114,749	23,130,092
Closing Stock	25,184,647	11,114,749
Change In Stock	**14,069,899**	**(12,015,343)**
SCHEDULE " 18 " COST OF MATERIAL CONSUMED		
Opening Stock	180,494,066	344,542,750
Purchases (Raw Material, Consumables, Stores and Spares)	1,582,125,168	1,584,555,969
Closing Stock	185,987,554	180,494,066
MATERIAL CONSUMED	**1,576,631,679**	**1,748,604,653**
SCHEDULE " 19 " OTHER DIRECT COSTS		
Labour Charges	65,264,868	40,569,376
Labour Welfare	2,725,040	3,734,177
Power And Fuel	36,235,624	38,054,857
Sales Tax And Duties	254,300,716	278,677,366
Transport And Octroi	43,716,180	32,801,934
	402,242,429	**393,837,710**
SCHEDULE " 20 " EMPLOYMENT COST		
Salaries, Wages And Bonus	117,327,592	73,570,251
Contribution to Provident and Other Funds	2,840,946	2,642,328
Workmen and Staff Welfare Expenses	1,692,032	1,616,379
TOTAL	**121,860,570**	**77,828,958**

Schedules Forming Part of Profit & Loss Account for The Year Ended 31st March, 2009

Particulars	Year ended 31.03.2009	Year ended 31.03.2008
SCHEDULE " 21 " ADMINISTRATIVE COST		
A.G.M. / E.G.M. Expenses	74,741	98,255
Advertisement Expenses	785,929	1,012,951
Books and Periodicals	22,859	25,855
Commission to Non Executive Directors	720,000	2,100,000
Directors Sitting Fees	500,000	470,000
Donations	22,612	12,501
Foreign Travelling Expenses	720,179	1,116,139
Foreign Exchange Fluctuation Loss (Net)	2,076,408	1,586,172
Hire Charges (Other)	622,753	173,444
Insurance	2,434,110	1,836,959
Membership and Subscription	450,837	997,993
Office & Miscellaneous Expenses	665,360	384,561
Payment to Auditors (Including Internal Auditors)	2,932,457	1,200,000
Postage and Telephone	3,205,644	2,335,735
Premium Paid on cancellation of Foreign Currency Cover	--	11,044,575
Printing and Stationery	2515260	3,193,955
Professional, Consultancy & legal Charges	4,837,533	5,870,588
Rates and Taxes	1,914,412	422,985
Rent	2,088,777	1,904,000
Repairs and Maintenance		
Repairs and Maintenance- Computer	445,130	552,740
Repairs and Maintenance- Building	111,306	65,456
Repairs and Maintenance- Others	713,419	1,090,600
Repairs and Maintenance- Plant and Machinery	2,514,603	1,699,609
Security Charges/Service charges	4,365,024	3,393,878
Sundry Balances written off	16,715	--
Testing & Inspection Charges	777,956	826,471
Travel and Conveyance	3,212,645	2,302,469
Vehicle Expenses	202,831	336,034
Hire Charges-Vehicle	405,596	755,154
Vehicle Repair & Maintenance	1,061,868	1,391,729
Water Charges	1,571,586	915,054
Weighing Charges	171,080	167,420
	42,159,628	**49,283,283**
SCHEDULE " 22 " - SELLING EXPENSES		
Discount & Rate Diff (Others)	990,718	472,819
Discount & Rate Diff (TML)	9,364,203	5,676,390
Sales Promotion Expenses	1,694,437	2,037,607
	12,049,357	**8,186,817**
SCHEDULE " 23 " - INTEREST AND FINANCIAL CHARGES		
Bank Charges / Commission	475,024	505,194
Interest on Cash Credit	37,058,341	22,514,193
Interest on Term Loan	17,748,043	21,780,543
Interest on Unsecured Loan	15,291,113	--
Interest Paid (Vehicle Loan & Other)	543,358	464,109
Term Loan Processing Charges	561,800	--
	71,677,679	**45,264,040**

NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2009.

SCHEDULE : " 24 "

ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2009.

A] ACCOUNTING POLICIES / COMPLIANCE OF ACCOUNTING STANDARDS WHEREVER APPLICABLE :

1. **System of Accounting :**

   The financial statements have been prepared on historical cost convention and as a going concern and in accordance with Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956.

   The company follows Mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and trade practices.

   Estimates and Assumptions used in the preparation of financial statements are based upon the management's evaluation of the relevant fact and the circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

2. **Inventories :**

   Inventories are Valued at cost or net realisable value whichever is lower; cost is ascertained on the following basis :

   a) Raw Material, Packing Material, tools, spares and consumable are valued at cost on FIFO Basis plus Direct cost incurred to bring the stock to its existing level.

   b) Work in progress/ Finished Goods are valued at cost of manufacturing based on cost of Raw material and labour and overheads cost up to the relevant stage of completion.

   c) Cost includes taxes and duties as applicable.

3. **Fixed Assets and Depreciation :**

   Fixed Assets are accounted at Cost of acquisition or construction. Fixed assets are capitalized net of Cenvat / VAT for which Credit is taken and includes borrowing cost directly attributable to construction or acquisition of fixed assets, up to the date the asset is ready to use.

   Foreign Exchange loss on loan taken, which is directly attributable to construction or acquisition of Fixed Assets is also capitalized.

   Depreciation on all tangible assets has been calculated on Straight Line Method (SLM) as per the rates and manner prescribed under Schedule XIV of the Companies Act, 1956.

   Except for items where 100% depreciation rate is applicable, depreciation on fixed assets, added/ disposed off during the year, is provided on pro-rata monthly basis with reference to date of addition / disposal.

   In case of revalued Asset, the Depreciation calculated as per above method, and the difference between revalued value and original value is reduced from the total Depreciation and same is also reduced from the Revaluation Reserve.

4. **Revenue Recognition** :

   Sales are accounted on gross basis inclusive of Sales Tax and Excise Duty less sales Returns/rejections. Revenue from sale of products is recognized upon passage of title to the customer on acceptance of goods which generally coincides with the dispatch of materials.

   Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.

5. **Research & Development :**

   Research & Development expenditure incurred on the identified product/ process is carried forward when its future recoverability can reasonably regarded as assured. Expenditure incurred till the commencement of production / process is carried forward under capital work in process. The expenditure carried forward is amortized over the period of expected future sales from the related product/ process, not exceeding ten years.

   The carrying value of Research & Development cost is reviewed for impairment annually when the asset is not yet in use and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

6. **Foreign Currency Transactions :**

   Foreign Exchange transactions are accounted for at exchange rate prevailing on the date of transactions. Year-end monetary assets and liabilities in foreign currency are translated at the applicable year-end exchange rate and the resultant difference in case of revenue item is recognized as gain / loss for the year and in case of capital account the same is adjusted against the respective fixed asset.

The premium or discount arising on forward exchange contract including those entered into, to hedge foreign currency risk of a firm commitment or highly probable forecast transaction other than those which are not intended for trading or speculative purpose, are amortized as expenses or income over the life of the contract. Exchange difference on such contract is recognized in the profit & loss account of the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or as expense of the year.

The Company has decided not to exercise the option available under amendment to AS-11 relating to "the effects of changes in Foreign Exchange Rates" in respect of its long term foreign currency monetary items and accordingly is continuing to follow the principles laid down in AS-11 before such amendment.

7. **Investments :**

Investments are recorded at cost of purchase. Interest earned on Bank Fixed Deposit is accounted on accrual Basis. Unquoted investments are accounted at cost.

8. **Retirement Benefit Costs :**

Contribution to Provident Fund are accrued in accordance with applicable statues and deposited with the Regional Provident Fund Commissioner.

Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation Of India Ltd. The liability in respect of gratuity is determined by actuarial valuation made as on the Balance Sheet Date.

The liability in respect of Bonus and for Leave Encashment is provided on actual basis.

9. **Borrowing Costs:**

Borrowing costs that are directly attributable to the acquisition, construction or production of fixed assets are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

10. **Taxes on Income :**

Tax Expenses for the year, comprising Current Tax including Wealth Tax, and Fringe Benefit Tax is included in determining the net profit for the year. A provision is made for the current tax and fringe benefit tax based on tax liability computed in accordance with relevant tax rates and tax laws.

11 **Deferred Tax- Asset/ Liability:**

The Accounting Standard 22 viz. "Accounting for Taxes on Income" issued by the Institute of Chartered accountants of India, has become applicable to the Company. The Deferred Tax is recognized for all timing differences being the difference between "Taxable Income" and "Accounting Income" that originate in one period, and are capable of reversal in one or more subsequent periods and measured using relevant enacted tax rates. Deferred Tax Assets are recognized only if there is reasonable certainty that they will be realized and are reviewed for the appropriateness of their respective carrying value at each balance sheet date.

12 **Miscellaneous Expenditure :**

Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.

13 **Impairment of Assets :**

The Management periodically assesses, using external and internal sources whether there is an indication that an asset may be impaired. If an asset is impaired, the company recognizes impairment loss as the excess of carrying amount of the asset over recoverable amount.

14 **Provisions & Contingent Liabilities :**

The company recognizes Provisions when there is a present legal or constructive obligation as a result of past event that probably require an outflow of resources and a reliable estimate can be made of the amount of the obligation.

A disclosure of a contingent liability is made when there is possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are not discounted to its present value and are determined based on best estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect current best estimates.

15 **Capital work in Progress :**

The Expenditure in the nature of Capital and the assets for which it is incurred which has not come into existence/

put to use during the year is shown under this heading and includes R & D Expenses for process development not completed till the date of Balance Sheet. Research & Development expenses made till 31st March, 2009 is being written off over 10 years.

16 **Insurance Claims :**

Claims receivable from Insurance Companies against risks covered are accounted on in the year of receipt of claim.

17. **Tools & Dies :**

Tools & Dies designed/ manufactured in house has been capitalized considering direct cost of the material, Wages paid to tool room employees, and other incidental expenses and proportionate overheads including borrowing cost related there to.

B] NOTES TO ACCOUNTS :

1 During the previous year, the Company received Rs. 2.70 crores, being 10% of the amount on issue of 10,80,000 convertible warrants (Including Premium) on preferential basis to the promoters and other Investor.

Issue and Allotment of 12,50,000 Equity Shares of Rs. 10/- each with Premium of Rs. 225/- per share was made to Mr. Rakesh Jhunjhunwala and his associates.

2 Estimated amount of Contracts remaining to be executed on capital account and not provided for Rs. 30,00,00,000/- (Previous Year Rs. 50,00,00,000/-)

3 **Contingent Liabilities :**

Contingent Liabilities and claims against the company not acknowledged as debts:

1. **Export Obligation** - Export Obligation in respect of saving in Custom Duty on Import of Machinery is to be completed up to 23/05/2010. Amount due up to 31.03.09 can not be worked out hence the liability for the year ending on 31.03.2009 is not defined. Export obligation up to 31.03.2006 cleared by payment of Compensation of Rs.6,97,080.

2. **Electricity Payment** – Maharashtra State Electricity Distribution Company (M.S.E.D.C.) has raised a demand of Rs.16.43 Lacs for the Chakan unit and the Company has disputed the demand and the matter is pending in the court.

3. Contingent Liability on account of

Bank Guarantees for Export Obligation Rs. 6,59,179/-

Bank Guarantees for Tools & Dies Rs. 3,30,000/-

4. One of the Creditor has filed a suit for Interest and damages/ compensation for Rs. 5,57,949/- which has been defended by the company.

5. Tassi Ltd. based at London, England has filed a suit for loss of revenue for Investment in SZ Design SRL by Wholly Owned Subsidiary- Koderat Investments Ltd. amounting to € 930,000 plus interest cost and attorney fees. The suit has been defended by the company. As per the management, since the company is not party to this agreement, the company do not foresee any liability on this account.

6. Corporate Guarantee of USD 35,00,000 given to Autoline Industries Indiana LLC, USA.

USD 20,00,000 – Working Capital

USD 15,00,000 – Refinancing of debt

7. Corporate Guarantee of Rs. 12,50,00,000/- given to Kotak Mahindra Bank, for loan given to Wholly Owned Subsidiary Nirmiti Autocomponents Pvt. Ltd.

4 **Amount Due to Small Scale Industrial Undertakings :**

a) In the absence of complete information in respect of status of each creditor, the company is not in a position to identify the amount payable to small scale and ancillary undertakings under the provisions of “Interest on delayed payments to Small scale and Ancillary Undertaking Act 1993” Accordingly it is not possible to quantify the extent of overdue interest payable and outstanding amount to any S.S.I creditor for more than 30 days under the said Act.

b) The Information pertaining to micro and small enterprises as required to be disclosed in accordance with Section 22 of Micro, Small and Medium Enterprises Development Act, 2006 is not readily ascertainable and hence not disclosed.

c) Interest paid to SSI undertakings for delay in payment – Nil. (Previous year – Nil)

5 **Current Assets :**

In the opinion of the Management, Current Assets and Loans and Advances are approximately of the value stated, if realized in the ordinary course of business and provision for all known liabilities are made and the same are adequate and not in excess of the amount reasonably necessary.

6 Letters for confirmation of balances with respect to Sundry Debtors, Sundry Creditors have been sent for which confirmations are yet to be received for reconciliation and no consequential adjustments, if any, have been made in the books of accounts and the balances are as per books of accounts.

7 Bonus, Rs.29,14,653/- for the year ended 31st March 2009 has been provided in the books of accounts on actual basis.

Leave Encashment has been provided for Rs. 8,59,973 on the basis of actual leave earned by the employees and is paid in the subsequent year.

8 **Managerial Remuneration :**

Computation of Net Profit under Section 349 read with Section 198 of the Companies Act 1956

Particulars	2008-09 Rs in Lacs.	2007-08 Rs in Lacs.
Net Profit for the Year Before Tax	636.60	2996.52
Add : Managerial Remuneration	109.00	134.33
Less : Extra Ordinary Profit	2.14	-
Net Profit Computed under Section 349	743.46	3130.85
Details of Managerial Remuneration		
Commission to Independent / Non Executive Directors	7.20	21.00
Directors Remuneration	109.00	108.63
Independent Directors Sitting Fees	5.00	4.70
Total :	**121.20**	**134.33**

Maximum Commission payable to Non Executive Directors

at 1 % of Rs. 743.46 Lacs i.e. Rs. 7.43 Lacs (Prev Year at 1% of Rs. 3130.85 i.e. Rs. 31.31 Lacs))

Provision made for year 2008-09 Rs. 7.20 Lacs (Prev Year Rs. 21.00 Lacs)

Maximum Remuneration Payable to whole time Directors

at 10% of Rs. 743.48 Lacs i.e. Rs. 74.35 Lacs (Prev Year at 10% of Rs. 3130.85 i.e. Rs. 313.08 Lacs)

Actual Remuneration Paid Rs. 109.00 Lacs (Prev Year Rs. 108.63 Lacs)

NOTE :

Due to inadequacy of profit for the year 2008-09, the remuneration paid to whole time Directors though in excess, is within the limits as stipulated under Section 2 (2) of Part B of Schedule XIII of the Companies Act, 1956. The shareholders of the company at their Tenth Annual General Meeting held on 27th September, 2006 has by way of special resolution approved the payment of remuneration to Executive Directors as per provisions of Sections 198, 269, 309, and 310 read with Schedule XIII of the Companies Act, 1956.

9 **Interest in Joint Venture :**

Company has entered into Joint Venture with Union Autoline Spare Parts LLC, Abu Dhabi holding 49% stake. Till date no monetary investment in acquisition of equity is made except for sending of sample and other products of the company.

10 **Investment in Subsidiary / Associate Companies :**

Investments in subsidiary / associate companies are shown at cost and the profit and loss of the subsidiary companies are not dealt with in the books of the company.

During the year company has acquired:

A.) 82,75,000 Equity Shares of Rs.10/- each as bonus shares of Autoline Industrial Parks Limited without any consideration.

B.) 45,885 Equity Shares of Rs. 100/- each, of Nirmiti Autocomponents Private Limited for Total consideration of Rs. 2,76,99,396/-.

C.) 1,000 Equity Shares of € 1 each at par of Koderat Investments Limited for a consideration of € 1,000 equivalent to Rs. 67,280/-.

D.) Share Application Money of Rs. 22,24,32,374/- has been made with the company's wholly owned subsidiary Koderat Investments Ltd.

11 **Deferred Tax Asset / Liability:**

The deferred tax liability (Net) for the year under consideration amounting to Rs. 86,75,000/- has been recognized in profit & Loss Account. The Provision for Deferred Tax Liability for the current year of Rs. 86,75,000/- is provided on the difference between Book Depreciation and Tax Depreciation, other than permanent difference.

Amount in Rs.

Sr. No.	Particulars	2008-09
A	The Movement of deferred Tax account is as follows.	
	Deferred Tax Liability :	
	Opening Balance :	3,66,17,500
	Add: Current Year Provision	1,17,24,500
	Closing Balance	4,83,42,000
B	Deferred Tax asset and liabilities are being off-set as they relate to taxes on income levies by the same governing taxation laws.	
	The following amounts are shown in the Balance Sheet	
	Deferred Tax Liabilities	5,53,13,700
	Deferred Tax Asset	69,71,700
	Deferred Tax Liabilities (Net)	4,83,42,000
C	**Break Up of Deferred Tax Assets / Liabilities.**	
	Deferred Tax Liabilities :	
	Tax impact of the difference between carrying amount of fixed assets in financial statement and in income Tax return for the current year	4,78,24,700
	Add: Current Year Provision	74,89,000
	Total	5,53,13,700
	Deferred Tax Assets :	
	Tax impact of expenses allowable as deduction in future years under Income Tax :	1,12,07,200
	Less: Transfer to Share Premium Account	30,49,500
	Less: Last Year's effect reversed	21,76,700
	Add: Current Year Provision	9,90,700
	Total	**69,71,700**

12 **Segment Reporting :**

The company is in the business of dealing and manufacturing of pressed sheet metal auto components and assemblies which is used in the manufacturing of the main product and labour charges for manufacturing of the main product. All other activities of the company revolve around the main business. The entire operations are governed by the same set of risk and returns. Further export of good being negligible, the company is considered to be operating in one geographical segment. Hence operations have been considered as representing a single segment. As such there are no reportable segments as defined by Accounting Standard 17 on the segment reporting as issued by the Institute of Chartered Accountants of India.

13 **Earning Per Share :**

Amount In Rs.

Sr. No.	Particulars	2008-09	2007-08
(a)	Profit After Tax	45,710,444	24,43,51,975
(b)	The weighted Average number of equity shares	11,732,098	1,05,13,382
	Shares of Rs. 10 Each		
	Earnings per Share (Weighted Average)	3.90	23.24
(c)	No of shares on year end date	12,204,969	1,09,54,969
	Earning per Share (Basic)	3.75	22.31

14 **Related Party Transactions :**

Related Party Disclosure as required by Accounting Standard 18 for the year ended 31st March, 2009

Key Management Personnel & their Relatives

Mr. Shivaji Akhade	Managing Director & CEO
Mr. M. Radhakrishnan	Jt Managing Director
Mr. Sudhir Mungase	Wholetime Director
Mr. Gopal Patwardhan	Executive Chairman (Till 20th December, 2008)
Mr. Vilas Lande	Chairman Emeritus
Mrs. Rema Radhakrishnan	Relative of Director.

Entities where key management Personnel or relatives of Key Management Personnel have significant Influence

A. Western Pressing Ltd.
B. Autoline Design Software Ltd.
C. Autoline Industrial Parks Ltd.
D. Autoline Industries USA Inc.
E. Nirmiti Autocomponents Pvt. Ltd.
F. Balaji Enterprises
G. Shreeja Enterprises
H. Sumeet Developers
I. Om Sai Transport Co.
J. Duke Real Estate & Development Pvt. Ltd.

Nature of Transactions	Key management personnel & their relatives amount(Rs)	To / from other entities amount (Rs)
Directors Remuneration	10,900,000/-	-
Commission to Non Executive / Independent Directors	7,20,000/-	-
Independent Directors Sitting Fees	500,000/-	-
Other Remuneration/ Professional Charges	21,96,300/-	-
Car Hire Charges	429,992/-	-
Labour Charges & Material Supply (Purchase)	-	4,15,72,868/-
Rent payment	-	2,245,700/-
Computer Aided Services	-	83,58,300/-
Sale of Material	-	13,82,00,950/-
Transportation	-	13,085,672/-
Interest Received	-	6,955,475/-
Interest Paid	-	13,885,634/-
Management Fees received	-	10,463,500/-
Payment of Assets	-	12,235,533/-
Unsecured Loans	-	10,000,000/-

Note: (1) Related party relationship is as identified by the company and relied upon by the Auditors.

(2) Related party transactions have been reported at their Gross Values (i.e. including taxes)

ADDITIONAL INFORMATION PURSUANT TO PART II OF SCHEDULE VI OF THE COMPANIES ACT 1956.

	Particulars		2008-2009		2007-2008
15	**Particulars in Respect of Licensed Capacity, Installed Capacity and Actual Production :**		N.A.		N.A.
16	**Sales** : (Including Vat & Excise) Value (Rs. In Lacs)				
	Quantity in MT		26319.41		30229.03
			38069.35		43725.50
17	**Closing Stock** :	MT	Amount Rs. In Lacs	MT	Amount Rs. In Lacs
	Raw Material Including material lying with third party and material in transit	2253.26	1354.89	1959.25	1178.14
	Work in Process	397.36	237.86	461.75	276.40
	Finished Goods	376.68	251.85	166.25	111.15
	Stores, Spares, Consumables, Boughtouts, scrap & other Misc Manufacturing Materia		262.55		350.40
18	**Imported & Indigenous Raw Materials & Stores Consumed:**				
	Indigenous Raw Material Consumed including Stores, Spares, Bought outs Consumed (Qty given for Raw Material.)	27170.98	15821.25	31275.60	15845.55
	Note:- All the raw material, store, spares, bought out consumed are indigenous.				
19	**Value of imports on CIF Basis ;**				
	- Capital Goods			33,889,678	51,600,562
20	**Expenditure in Foreign Currency**				
	- Interest –(Bank)			19,383,840	94,92,106
	- Foreign Travel			475,088	2,62,405
	- Professional ,Legal Fees And Bank Charges			-	30,42,486
	- Investment(Shares of Foreign Subsidiary)			17,38,55,500	13,38,45,000
				-	-
21	**Amount Remitted during the year in foreign currency**				
	- Dividend to Foreign Corporates (Paid for the F.Y. 2007-2008, USD 245,095.97, Paid to 8 Shareholders, No. Of Shares:2,416,156)			1,20,80,780	40,38,646
22	**Earnings in foreign exchange**				
	- Interest from Foreign Subsidiary			6,955,472	19,06,960
	- Exports			7,357,403	-
23	Amount received during the year in foreign currency			11,555,449	-
	Managerial Remuneration :				
	Gopal Patwardhan (Till 20.12.2008)			13,00,000	12,62,903
	Shivaji Akhade			36,00,000	36,00,000
	Sudhir Mungase			30,00,000	30,00,000
	M. Radhakrishnan			30,00,000	30,00,000
	TOTAL			**1,09,00,000**	**1,08,62,903**
24	**Auditors Remuneration includes :**			**2008-2009**	**2007-2008**
				Rs.	Rs.
	Audit Fees (Including Tax Audit, Certification and other Services)			15,00,000	9,60,000
	Service Tax			1,44,200	1,18,656
				16,44,200	**10,78,656**

25 Previous Year's figures have been regrouped wherever necessary to make comparable with the current year classification.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES

CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR)
PARTNER
M. NO. 30305

PLACE : PUNE
DATE : 17th June, 2009

FOR & ON BEHALF OF THE BOARD

GOPAL PATWARDHAN
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

SANJAY LANDGE
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

CONSOLIDATED FINANCIAL STATEMENT

AUDITOR'S REPORT

To,

The Board of Directors,

AUTOLINE INDUSTRIES LIMITED

Pune.

We have examined the attached consolidated Balance Sheet of Autoline Industries Limited ("the Company") and its subsidiaries ("the Group") as at 31st March, 2009, and also the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, in which are incorporated the unaudited financial statement of Autoline Industries USA INC, DEP Autoline LLC., USA and Koderat Investments Limited, Cyprus, which are reviewed by other Auditors, Nuvent Technologies Private Limited, Chennai audited by other Auditors. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We did not audit the financial statements of the following subsidiaries. These financial statements have been audited / reviewed by other auditors whose reports have been furnished to us, and our opinion, in so far as it relates to the amount included in respect of these subsidiaries, is based solely on the report of the other auditor. The total assets as at 31st March, 2009 and total revenue for the year then ended, in respect of these subsidiaries are as under

(Rs. in Lacs)

Name of the company	Total Assets	Total Revenues
Autoline Industries USA INC	3,998.46	4,781.74
DEP Autoline LLC., USA	2,028.76	1,847.34
Nuvent Technologies Private Limited	121.58	344.85
Koderat Investments Limited	2,218.46	(6.55)

We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respect, in accordance with an identified financial reporting frame work and are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

We report that Consolidated Financial Statement have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 Consolidated Financial Statements , Accounting Standard (AS) 23 Accounting for investments in Associates in Consolidated Financial Statements and (AS) 27, Financial Reporting of Interest in Joint Ventures, issued by the Institute of Chartered Accountants of India and on the basis of separate audited/ certified financial statements of the Autoline Industries Limited and its subsidiaries included in the consolidated financial statements.

On the basis of the information and explanation given to us and on the consideration of the separate Audit/Review Report of other Auditors on separate financial statements and on other financial information of the components and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India.

i) In case of consolidated Balance Sheet of the consolidated state of affairs of the company and its subsidiaries as on **31st March, 2009.**

ii) In case of consolidated Profit & Loss Account of the consolidated results of the company and its subsidiaries for year ended on that date.

iii) In case of consolidated Cash Flow Statement, of the consolidated cash flows of company and its subsidiaries for year ended on that date.

FOR GUJAR RAWAT SHETH & ASSOCIATES.
CHARTERED ACCOUNTANTS.

(MOHAN R. GUJAR)
PARTNER.
M. No. 30305

PLACE : PUNE.
DATE : 17th June 2009

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

Particulars	SCH No.	31.03.2009 Rs.	31.03.2008 Rs.
A] SOURCES OF FUNDS			
(1) **Shareholders Funds**			
(a) Share Capital	1	149,049,690	125,181,690
(b) Reserves and Surplus	2	1,984,313,185	1,544,787,854
(c) Minority Interest		380,402,097	201,928,099
		2,513,764,972	**1,871,897,643**
(2) **Borrowed Funds**			
(a) Secured Loans	3	1,039,520,325	806,827,996
(b) Unsecured Loans	4	432,525,722	454,334,255
		1,472,046,047	**1,261,162,251**
(3) Deferred Tax Liability (Net)	5	59,438,810	50,763,387
TOTAL		**4,045,249,829**	**3,183,823,281**
B] APPLICATION OF FUNDS			
(1) **Fixed Assets**	6		
(a) Gross Block		2,802,370,505	2,433,581,604
(b) Less: Accumulated Depreciation		318,560,419	204,059,898
Add : Goodwill on Consolidation		361,425,264	338,314,368
(c) Net Block		**2,845,235,350**	**2,567,836,074**
(2) **Investments**	7	225,210,974	140,177,807
(3) **Current Assets, Loans and Advances**			
(a) Inventory	8	308,237,272	255,816,716
(b) Sundry Debtors	9	487,698,191	394,979,545
(c) Cash and Bank Balances	10	28,724,447	65,185,907
(d) Other Current Assets	11	960,207,129	326,551,567
		1,784,867,039	**1,042,533,735**
Less : Current Liabilities and Provisions			
Current Liabilities	12	828,419,751	462,518,584
Provisions	13	30,175,542	120,325,692
		858,595,293	**582,844,276**
Net Current Assets		926,271,746	459,689,459
(4) **Miscellaneous Expenses (Asset)**	14	48,531,759	16,119,941
Significant Accounting Policies and Notes to Accounts	25		
TOTAL		**4,045,249,829**	**3,183,823,281**

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
(MOHAN R. GUJAR)
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M. NO. 30305
PLACE : PUNE
DATE : 17th June, 2009

FOR & ON BEHALF OF THE BOARD

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MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

SANJAY LANDGE
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

	Particulars	SCH. NO.	31.03.2009 (Rs.)	31.03.2008 (Rs.)
A]	**INCOME**			
	Gross Sales	**15**	3,831,570,342	3,814,498,391
	Less : Excise Duty		326,997,034	401,725,595
	Sales (Net)		**3,504,573,308**	**3,412,772,796**
	Miscellaneous Income	**16**	28,003,083	11,950,213
	Increase/ Decrease of Finished Goods	**17**	16,506,227	(5,422,464)
	TOTAL		**3,549,082,618**	**3,419,300,545**
B]	**EXPENDITURE**			
	Cost of Material Consumed	**18**	2098,042,560	2,044,161,753
	Other Manufacturing Expenses	**19**	726,313,010	583,632,823
	Administrative Expenses	**20**	153,028,551	127,468,430
	Employment Cost	**21**	260,240,372	160,650,725
	Selling Expenses	**22**	20,641,523	12,226,995
	Preliminary & Miscellaneous Expenses written off	**23**	256,135	16,850
	TOTAL OPERATING EXPENSES		**3,258,522,151**	**2,928,157,576**
C]	**Consolidated Profit before Depreciation, Interest & Tax.**		**290,560,467**	**491,142,969**
	Interest and Financial Charges	**24**	80,254,589	50,168,581
	Consolidated Profit before Depreciation & Tax		**210,305,878**	**440,974,388**
	Depreciation	**6**	121,379,777	53,281,753
D]	**Consolidated Profit before Tax**		**88,926,101**	**387,692,635**
	Provision for Tax & Wealth Tax		12,743,074	47,680,500
	Provision for Fringe Benefit Tax		1,235,226	1,249,175
	Provision for Tax (Last Year Short Provision)		13,575	206,407
	Excess Provision Written Back		(140,000)	-
	Provision for Deferred Tax Liability (Net)		8,832,940	21,831,000
E]	**Consolidated Profit After Tax But Before Deducting Minority Interest**		**66,241,286**	**316,725,553**
	Minority Interest		19,401,149	14,528,258
	Consolidated Profit For The Year Attributable To The Group		46,840,137	302,197,295
	Amount available for Appropriations		**46,840,137**	**302,197,295**
	Appropriations			
	Dividend (Incl. Dividend Tax) (Proposed Final)		14,279,204	71,396,017
	Transfer to General Reserve		1,200,000	25,000,000
F]	**Net Consolidated Profit transferred To Reserve & Surplus**		**31,360,933**	**205,801,278**
	Earning per Share (Par Value Rs. 10 each)			
	Basic Earning		3.84	27.59
	Weighted Earning		3.99	28.74
	Weighted average number of Shares used in computing Weighted Earning		11,732,098	10,513,382
	Significant Accounting Policies and Notes to Accounts	**25**		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
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ASHUTOSH KULKARNI
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March, 2009 (Consolidated)

	Particulars	As at 31-Mar-09 Rs.	As at 31-Mar-08 Rs.
A	**Cash Flow from Operating Activities**		
	Net Profit after Tax Before Dividend	46,840,137	327,197,295
	Adjustment for :		
	Depreciation	121,379,777	53,281,753
	Depreciation on Assets Deducted	(6,879,256)	(3,001,720)
	Amortisation of Miscellaneous Expenditure	256,135	16,850
	Deferred Tax Liability (Net)	8,675,423	21,831,000
	Operating Profit before Working Capital Changes	170,272,216	399,325,178
	Adjustment for :		
	Trade and Other Receivable	(726,374,208)	(472,557,867)
	Inventories	(52,420,556)	128,426,126
	Trade Payables and Other Payable	275,751,017	283,920,545
	Increase in Minority Interest	178,473,998	201,928,099
	Increase in Misc Expenses	(32,667,953)	(2,330,600)
	Capital Reserve on Consolidation	119,877,609	1,600,263
	Cash Generated from Operations	**(67,087,877)**	**540,311,744**
	Net Cash from Operating Activities	**(67,087,877)**	**540,311,744**
B	**Cash Flow from Investing Activities**		
	Acquisition of Fixed Assets (Net)	(391,899,796)	(1,711,048,209)
	Investments	(85,033,167)	(138,417,457)
	Net Cash from Investing Activities	**(476,932,963)**	**(1,849,465,666)**
C	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings (Net)	210,883,796	885,998,969
	Equity Capital & Share Premium	310,954,790	395,449,398
	Dividend	(14,279,204)	(71,396,017)
	Net Cash from Financing Activities	**507,559,382**	**1,210,052,350**
	Net Increase in Cash & Cash Equivalent	(36,461,459)	(99,101,572)
	Cash & Cash equivalent as at 01.04.2008	65,185,907	164,287,479
	Cash & Cash equivalent as at 31.03.2009	28,724,447	65,185,907
	Net Increase in Cash & Cash Equivalent	**(36,461,460)**	**(99,101,572)**

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
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ASHUTOSH KULKARNI
COMPANY SECRETARY

Schedules Forming Part of Balance Sheet as at 31st March 2009

Particulars	As at 31-03-2009 Rs.	As at 31-03-2008 Rs.
SCHEDULE " 1 " SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
250,00,000 Equity Shares of Rs. 10 each (Previous Year 150,00,000 Equity Shares of Rs. 10/- each)	250,000,000	150,000,000
TOTAL AUTHORISED SHARE CAPITAL	**250,000,000**	**150,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
1,22,04,969 Equity Shares of Rs. 10 Each. (During the period 12,50,000 Equity Shares of Rs. 10 Each were issued and allotted on preferential basis for Cash consideration) (Prev. Year 1,09,54,969 Equity Shares of Rs. 10 each.) (Include 20,04,728 Equity Shares of Rs. 10 each, which have been issued as fully paid Bonus Shares by Capitalising Free Reserves and Share Premium and 5,88,125 Equity Shares of Rs. 10 Each. were issued for consideration other than cash.)	122,049,690	109,549,690
Share Application Money (Autoline Industrial Parks Ltd.)	-	15,632,000
Share Warrants (10,80,000 convertible warrants of Rs. 250/- each, Rs. 25 received)	27,000,000	-
TOTAL	**149,049,690**	**125,181,690**
SCHEDULE " 2 " RESERVES AND SURPLUS		
REVALUATION RESERVE		
Opening Balance	12,583,300	13,866,276
Less : Depreciation on Revalued Assets	1,215,638	1,282,975
Closing Balance	**11,367,662**	**12,583,301**
SHARE PREMIUM		
Opening Balance	1,129,912,886	741,847,478
Add : During the Year	287,086,790	388,065,408
	1,416,999,676	**1,129,912,886**
GENERAL RESERVE		
Opening Balance	51,027,655	26,027,655
Add : Transferred During the Year	1,200,000	25,000,000
	52,227,655	**51,027,655**
PROFIT AND LOSS ACCOUNT	349,663,729	143,862,451
Add: During The Year	31,360,933	205,801,278
	381,024,662	**349,663,729**
EXCHANGE DIFFERENCE ON CONSOLIDATION	**122,693,530**	**1,600,283**
	122,693,530	**1,600,283**
TOTAL	**1,984,313,185**	**1,544,787,854**
MINORITY INTEREST		
Minority Interest - Capital	239,131,484	93,263,088
Minority Interest - Current Year's Profit	19,401,149	14,528,258
Minority Interest - Retained Earning	28,194,412	8,957,911
Minority Interest - Share Premium	93,675,052	85,178,842
TOTAL	**380,402,097**	**201,928,099**

Schedules Forming Part of Balance Sheet as at 31st March 2009

Particulars	As at 31-03-2009 Rs.	As at 31-03-2008 Rs.
SCHEDULE " 3 " SECURED LOANS		
Cosmos Bank Term Loan	-	35,115,969
Kotak Bank Term Loan	44,898,733	-
Citi Bank Term Loan	112,500,000	162,500,000
State Bank of India (Term Loan)	75,029,281	-
Loan at Butler	36,640,693	-
Citi Bank ECB Loan	372,502,056	397,502,056
Barclays Bank (FC CC)	89,478,436	81,586,172
Lasella Bank (FC CC)	7,826,145	-
Barclays Bank (INR CC)	45,000,000	45,000,000
Citi Bank CC	19,961,134	19,775,594
Kotak Mahindra Bank CC	65,274,816	61,253,602
Working Capital Loan (USA Butler)	52,174,300	-
Cosmos Bank Bills Discounting Account	-	1,495,703
State Bank Of India (Corporate Loan)	116,952,933	-
[The Term Loans have been Secured against mortgage of the immovable properties of the company. The Working Capital Facilities have been secured by Hypothecation of Current Assets and Movable Assets of the Company, both existing and future. (Except Vehicles) Further the above Loans have been secured by the Personal Guarantees of Promoter/ Directors of the Company.]		
Vehicle Loans		
HDFC Bank	-	284,982
HDFC Bank	261,107	498,211
ICICI Bank	-	358,164
Kotak Mahindra Bank	-	244,015
Tata Motors Finance Ltd.	631,525	1,213,528
Cosmos Bank	389,166	-
[The above Loans have been secured by hypothecation of Vehicles owned by the Company.]		
TOTAL	**1,039,520,325**	**806,827,996**
SCHEDULE " 4 " UNSECURED LOANS		
Unsecured Loan (Sales Tax Deferral)	26,599,316	26,599,316
Unsecured Loan (Others)	336,194,306	427,734,939
Loan from Share Holders	69,732,100	-
TOTAL	**432,525,722**	**454,334,255**
SCHEDULE " 5 " DEFERRED TAX LIABILITY		
DEFERRED TAX LIABILITY	66,410,510	61,970,587
DEFERRED TAX ASSETS	6,971,700	11,207,200
DEFERRED TAX LIABILITY (NET)	**59,438,810**	**50,763,387**

CONSOLIDATED STATEMENTS OF ACCOUNTS OF AUTOLINE INDUSTRIES LIMITED GROUP

Schedules Forming Part of Balance Sheet as at 31st March 2009

SCHEDULE 6 : FIXED ASSETS :

Sr No	ASSET	RATE (%)	GROSS BLOCK						DEPRECIATION						NET BLOCK	
			AS ON 01.04.2008	ADJUSTMENT / EXCHANGE RATE FLUCTUATION	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2009	AS ON 01.04.2008	ADJUSTMENT / EXCHANGE RATE FLUCTUATION	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2009	AS ON 31.03.2009	AS ON 31.03.2008
1	LAND & DEVELOPMENT	-	480,016,579		1,764,778	371,076,742	-	110,704,615	1,667,082		2,551	-	-	1,669,633	109,034,982	478,349,497
2	BUILDING	3.34	437,121,685		138,040,851	-	978,981	574,183,555	27,393,257		15,348,086	-	-	42,741,343	531,442,212	409,728,428
3	PLANT & MACHINERY	4.75	700,303,423	742,576	208,803,281	37,045,692	7,955,107	864,848,481	80,618,646	742,576	34,528,527	5,048,129	145,881	110,695,739	754,152,742	619,684,778
4	TOOLS AND DIES	11.31	174,770,780		65,855,296	11,875,258	2,792,146	225,958,672	45,019,671		19,800,383	3,934,553	-	60,885,502	165,073,171	129,751,109
5	COMPUTERS	16.21	49,282,187		10,416,357	-	-	59,698,545	23,258,692		8,587,369	-	-	31,846,061	27,852,483	26,023,495
	AND SOFTWARES															
6	ELECTRICAL FITTINGS	6.33	58,890,936		23,305,112	281,042	750,156	81,164,850	7,773,430		4,049,282	47,751	-	11,774,961	69,389,889	51,117,507
7	FURNITURE	6.33	18,140,136		3,158,035	-	207,056	21,091,114	4,153,292		1,417,058	-	-	5,570,350	15,520,764	13,986,844
8	VEHICLES	9.50	17,496,974	-	2,188,221	-	-	19,685,195	4,327,991		1,794,375	-	-	6,122,366	13,562,829	13,168,983
9	OFFICE EQUIPMENTS	7.07	8,579,581	-	1,513,809	-	-	10,093,390	1,998,214		789,707	-	-	2,787,920	7,305,470	6,581,368
10	CAPITAL WIP	-	230,925,478		185,325,285	-	238,503,309	177,747,455	-		-	-	-	-	177,747,455	230,925,478
11	R & D PROCESS DEVELOPMENT	-	151,139,466		40,078,800	-	7,875,000	183,343,267	-		12,975,585	-	-	12,975,585	170,367,681	151,139,466
12	CAPITAL WIP - RUDRAPUR		-		242,313,919	-	-	242,313,919	-		-	-	-	-	242,313,919	-
13	TRADE MARK		20,500		13,300,000	-	13,320,500	1,953			2,660,685			2,662,638	10,657,862	18,547
14	DEP AUTOLINE USA		68,189,337	20,487,904	56,072,536		144,749,777	5,834,892		(265,911)	10,689,767			16,258,748	128,491,029	62,354,445
15	AUTOLINE INDUSTRIES USA INC.		38,704,542	11,629,017	23,133,611		73,467,170	2,012,778	604,754	9,952,039				12,569,571	60,897,599	36,691,764
	TOTAL		**2,433,581,605**	**32,859,497**	**1,015,269,892**	**420,278,734**	**259,061,755**	**2,802,370,505**	**204,059,897**	**1,081,419**	**122,595,415**	**9,030,432**	**145,881**	**318,560,419**	**2,483,810,087**	**2,229,521,707**
	Excess Depreciation on Revalued Assets charged to Revaluation Reserve										**1,215,638**					
	Depreciation charged to Profit and Loss Account										**121,379,777**					
	Previous year		**600,895,880**		**553,433,285**		**173,886,339**	**980,442,826**	**73,619,942**		**29,344,467**		**-**	**102,964,409**	**877,478,417**	**527,275,938**

Schedules Forming Part of Balance Sheet as at 31st March 2009

Particulars	As at 31-03-2009 Rs.	As at 31-03-2008 Rs.
SCHEDULE " 7 " INVESTMENTS		
Quoted		
Bank of Baroda		
(1,660 Shares of Rs. 10 each @ Rs. 230 per Share)	381,800	381,800
DSPML T.I.G.E.R. Fund	390,225	390,225
HDFC	317,917	317,917
Mutual Fund	108,191	136,517,521
Reliance Growth Fund	732,064	732,064
Sundaram BNP Paribas Fund	316,930	316,930
Unquoted		
Rupee Co-op. Bank Ltd.	878,550	878,550
Vasantdada Shetkari Sahakari Bank Ltd.	500,000	500,000
Cosmos Bank	132,800	132,800
Investment in SZ Design, Srl	221,442,497	-
Saraswat Bank	10,000	10,000
TOTAL	**225,210,974**	**140,177,807**
SCHEDULE " 8 " INVENTORY		
Finished Goods	37,066,153	20,559,926
Work-in-progress	72,834,239	68,863,528
Raw Material, Consumables & Bought outs	196,754,590	163,665,813
Stock In Transit	1,582,290	2,727,449
(As taken, valued and certified by the Management)		
TOTAL	**308,237,272**	**255,816,716**
SCHEDULE " 9 " SUNDRY DEBTORS		
(Unsecured and Considered Good)		
Less than 6 Months	447,296,006	373,358,066
More than 6 Months	40,402,185	21,621,479
TOTAL	**487,698,191**	**394,979,545**
SCHEDULE " 10 " CASH AND BANK BALANCE		
Cash in hand	8,276,231	8,411,427
Balance with Scheduled Banks	8,743,483	13,182,973
Balance with Non Scheduled Banks	5,653,943	6,922,090
Overseas Bank	6,050,790	36,669,417
TOTAL	**28,724,447**	**65,185,907**

Schedules Forming Part of Balance Sheet as at 31st March 2009

Particulars	As at 31-03-2009 Rs.	As at 31-03-2008 Rs.
SCHEDULE " 11 " OTHER CURRENT ASSETS		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED		
Advance Income Tax & TDS	73,309,581	82,533,961
Excise , Service Tax Incl. Edu. Cess	128,740,694	120,290,809
Trade Deposits & Advance	4,860,805	3,639,848
Other Deposit	10,832,577	6,553,609
Fixed Deposits with Bank	2,772,247	34,421,861
EMD	60,098	101,000
Loan & Advances (Staff & Other)	328,134	83,957
Sales Tax Refund Receivable	480	480
Prepaid Expenses	2,696,175	1,935,221
Bills Receivable	--	540,115
Advance for purchase of Land	47,797,600	62,949,000
Other Current Asset	104,651,085	10,658,189
Land & Development	583,818,957	--
Loan & Advances	338,696	2,843,517
TOTAL	**960,207,129**	**326,551,567**
SCHEDULE " 12 " CURRENT LIABILITIES		
Sundry Creditors (for goods & Services)	645,717,565	353,435,301
Creditors for Capital Goods	101,621,635	27,115,263
OTHER CURRENT LIABILITIES :		
TDS Payable	10,860,087	4,921,545
Provident Fund Payable	308,778	90,613
Profession Tax Payable	93,065	97,925
Outstanding Expenses	52,086,996	75,316,236
Government Duties Payable	17,374,414	250,612
Unclaimed Dividend	307,532	152,613
Acquisition Cost Payable	49,679	1,138,476
TOTAL	**828,419,751**	**462,518,584**
SCHEDULE " 13 " PROVISIONS		
Provision for Income Tax & FBT	15,896,338	48,929,675
Dividend (Incl. Dividend Tax) Payable	14,279,204	71,396,017
TOTAL	**30,175,542**	**120,325,692**
SCHEDULE " 14 " MISCELLANEOUS EXPENSES (ASSET)		
Miscellaneous & Preliminary Expenses	13,458,613	2,397,990
Acquisition Cost	35,073,146	13,721,951
TOTAL	**48,531,759**	**16,119,941**

Schedules Forming Part of Profit & Loss Account for the year ending on 31/03/09

Particulars	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE " 15 " SALES		
SALES (Including Treding Sales & Excise Duty)	3,757,713,814	3,768,816,089
(Previous Year Rs. 3,768,816,089/-)	-	-
Engineering Services - Domestic	13,519,908	8,172,301
Engineering Services - Export	35,808,469	23,814,532
Sale - Education, Industry, AMC	24,528,151	13,695,469
	3,831,570,342	**3,814,498,391**
SCHEDULE " 16 " MISCELLANEOUS INCOME		
Interest Received	8,272,659	7,315,101
Misc. Income	14,236,687	2,702,693
Profit on sale of Fixed Assets	213,881	-
Sundry Balances Written Back & Discount Received	580,030	14,315
Dividend Received	4,699,826	1,918,104
	28,003,083	**11,950,213**
SCHEDULE " 17 " INCREASE/ DECREASE IN FINISHED GOODS		
Opening Stock	20,559,926	25,982,390
Closing Stock	37,066,153	20,559,926
Change In Stock	**16,506,227**	**(5,422,464)**
SCHEDULE " 18 " COST OF MATERIAL CONSUMED		
Opening Stock	235,256,790	419,065,824
Purchases (Raw Material, Consumables, Trading goods, Stores and Spares)	2,133,956,889	1,860,352,719
Closing Stock	271,171,119	235,256,790
MATERIAL CONSUMED	**2,098,042,560**	**2,044,161,753**
SCHEDULE " 19 " OTHER MANUFACTURING EXPENSES		
Labour Charges	137,580,832	96,983,259
Power And Fuel	56,384,238	45,881,003
Transport And Octroi	97,814,864	46,560,745
Sales Tax And Duties	282,185,203	314,918,966
Cost of Revenue & Other Direct Expenses	111,629,672	60,169,150
Labour Welfare	40,718,201	19,119,700
TOTAL	**726,313,010**	**583,632,823**

Schedules Forming Part of Profit & Loss Account for the year ending on 31/03/09

Particulars	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE " 20 " ADMINISTRATIVE COST		
A.G.M. / E.G.M. Expenses	74,741	98,255
Account Writing Charges	121,365	12,000
Advertisement Expenses	2,343,815	1,239,621
Books and periodicals	261,009	235,082
Bad debts w/off	1,371,930	-
Commission to Non Executive Directors	720,000	2,100,000
Directors Sitting Fees	530,000	470,000
Donations	174,444	73,262
Electricity, Power & Fuel Charges	1,146,901	1,146,167
Foreign Currency Fluctuation	(3,085,349)	-
Hire Charges	704,774	173,444
Insurance	15,552,502	10,934,154
Internet Charges	339,996	625,256
Job Work Charges	240,001	244,330
Legal and Professional Charges	9,505,667	12,497,629
License Fees & Filing Fees	7,125	520,595
Management Fees	3,185,400	-
Membership and Subscription	548,005	1,066,396
Office & Misc. Expenses	4,255,341	5,413,272
Outside Services	6,449,089	7,570,942
Payment to Auditors (Internal/Statutory)	3,458,203	1,655,183
Payroll Tax Expenses (USA)	11,049,015	4,130,796
Other Charges	121,440	-
Postage and Telephone	8,707,476	5,725,375
Premium Paid on cancellation of Hedging Cover	-	11,044,575
Printing and Stationery	4,189,353	4,783,669
Recruitment & Placement Expenses	--	33,000
Rent, Rates and Taxes	23,598,970	12,601,084
Repairs and Maintenance	29,376,328	14,884,414
Research & Development Expenses	1,422,980	3,070,829
Sales Tax Assessment Dues	394,645	19,255
Security Charges/Service charges	5,615,203	4,014,362
STPI Expenses	-	27,500
Sundry Balances written off	131,370	79,745
Testing & Inspection Charges	930,353	929,468
Travel and Conveyance	15,739,975	15,463,232
Vehicle Expenses	1,513,988	1,013,004
Vehicle Hire Charges	405,596	755,154
Vehicle Maintenance	-	1,610,136
Water Charges	1,678,083	1,039,824
Weighing Charges	248,817	167,420
	153,028,551	**127,468,430**

Schedules Forming Part of Profit & Loss Account for the year ending on 31/03/09

Particulars	As at 31.3.2009 Rs.	As at 31.3.2008 Rs.
SCHEDULE " 21 " - EMPLOYMENT COST		
Wages, Salaries And Bonus	256,950,741	156,245,208
Staff Welfare	3,231,320	4,350,500
PF Administrative Expenses	58,311	55,017
	260,240,372	**160,650,725**
SCHEDULE " 22 " - SELLING EXPENSES		
Sales Promotion Expenses	5,282,187	3,976,240
Discount & Rate Diff (Net)	9,364,203	5,676,390
Service Tax Paid	-	34,049
Discount & Rate Diff (Others)	5,325,123	2,226,843
Business Develpoment	24,500	297,885
Warranty Expenses	645,510	15,588
	20,641,523	**12,226,995**
SCHEDULE " 23 " - MISCELLANEOUS EXPENSES WRITTEN OFF		
Pre-Operative Expenses	256,135	16,850
	256,135	**16,850**
SCHEDULE " 24 " - INTEREST AND FINANCIAL CHARGES		
Bank Charges / Commission	3,082,089	3,468,797
Interest on Term Loan	24,416,588	22,068,464
Interest Paid (Vehicle Loans)	543,358	939,118
Interest on Working Capital	42,043,402	23,692,202
Interest Paid (Others)	9,607,352	-
Term Loan Processing Charges	561,800	-
	80,254,589	**50,168,581**

SCHEDULE : "25"

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

A] SIGNIFICANT ACCOUNTING POLICIES :

1. **Basis of Consolidation :**

The consolidated financial statement relate to Autoline Industries Limited (the Parent Company) & its subsidiary companies. The Parent Company with its subsidiaries constitutes the Group.

a) The Financial Statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as that of the Parent Company, i.e. year ended 31st March, 2009. In the case of foreign subsidiaries the company has taken the same reporting date as used above.

b) The financial statements have been prepared on historical cost convention and as a going concern and in accordance with accounting standard referred to in Section 211(3C) of the Companies Act, 1956.

The company follows Mercantile system of accounting and recognizes income and expenditure on accrual basis except those with significant uncertainties. Accounting policies not referred to otherwise are consistent with generally accepted accounting principles and trade practices

c) The accounts of the Parent Company & Indian Subsidiaries have been prepared in accordance with the Accounting Standards specified in the Companies (Accounting Standards) Rules, 2006 notified by the Central Government and other provision of the Companies Act, 1956 and those of the foreign subsidiaries have been prepared in accordance with the local laws and the applicable Accounting Standard/Generally Accepted Accounting Principles, wherever necessary.

2. **Principle of Consolidation :**

a) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line by line basis by adding together the book values of like items of assets, liabilities, incomes and expenses after eliminating intra-group balances, intra-group transactions and unrealised profits resulting there from and are presented to the extent possible, in the same manner as the Company's independent financial statements.

b) The financial statements of the Parent Company and its subsidiaries have been consolidated using uniform accounting policies for like transactions and other events in similar circumstances, except in the case of depreciation as pointed out in para. 4, in accordance with generally accepted accounting principles in India.

c) The excess of cost to the Parent Company of its investment in each of the subsidiaries over its share of equity in the respective subsidiary, on the acquisition date, is recognised in the financial statements as 'Goodwill On Consolidation' and carried in Balance Sheet as an asset, where as the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the company, it is recognised as 'Capital Reserve On Consolidation' and shown under the head Reserves and Surplus, in the consolidated financial statements.

d) Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the company in the subsidiary companies and further movements in their shares in the equity, subsequent to the date of investments.

e) The consolidated financial statements comprise of financial statements of Autoline Industries Limited (hereinafter referred as "**Autoline**") and subsidiaries incorporated in India viz. Autoline

Design Software Ltd. (hereinafter referred as "**ADSL**"), Western Pressing Ltd. (hereinafter referred as "**Western**"), Autoline Industrial Parks Ltd. (hereinafter referred as "**AIPL**"), Nirmiti Autocomponents Pvt. Ltd. (hereinafter referred as "**Nirmiti**"), Nuvent Technologies Pvt. Ltd. (hereinafter referred as "**Nuvent**"), and outside India viz. Autoline Industries USA INC (hereinafter referred as "**Butler**"), DEP Autoline LLC USA (hereinafter referred as "**DEP**"), Koderat Investments Limited (hereinafter referred as "**Koderat**").

3 **Inventories :**

Inventories are Valued at lower of cost or net realizable value, after proving for obsolescence and damages, if any, as under:

a) Raw Material, Packing Material, Tools, Spares and Consumable At Cost, on FIFO basis.

b) Work in Progress At Cost plus appropriate production overheads.

c) Finished Goods – Manufacturing At Cost plus appropriate production overheads.

d) Cost includes excise duty paid/payable on such goods wherever applicable.

4. **Fixed Assets :**

a) Fixed Assets are accounted at Cost of acquisition or construction. All costs relating to acquisition and installation of fixed assets are recorded at cost of acquisition and installation. Fixed Assets are capitalized net of Cenvat / VAT for which Credit is taken and includes borrowing cost directly attributable to construction or acquisition of fixed assets, up to the date the asset is put to use.

b) Fixed assets are eliminated from financial statements, either on disposal or when retired from active use. The retired assets are disposed off immediately. The capitalised cost of such disposed/retired assets, are removed from the fixed assets records.

c) Pre-operative expenses, including interest on borrowings, Wages paid to tool room employees and other incidental expenses and the proportionate overheads related thereto till the date of commissioning, for the projects, where applicable, incurred till the projects are ready for commercial production, are treated as part of the project cost and capitalised.

d) Internally manufactured/constructed fixed assets are capitalised at factory cost, including excise duty, where applicable.

e) Machinery spares which are specific to particular item of fixed assets and whose use is irregular are capitalised as part of the cost of machinery.

5. **Depreciation :**

a) In case of parent company (Autoline) depreciation on all tangible assets has been calculated on Straight Line Method (SLM) and in case of subsidiary companies viz. ADSL & Western depreciation is provided on Written down value method & in Nirmiti and Nuvent depreciation is provided on straight line method, as per the rates and manner prescribed under Schedule XIV of the Companies Act, 1956.

b) Except for items where 100% depreciation rate is applicable, depreciation on fixed assets , added/ disposed off during the year, is provided on pro-rata monthly basis with reference to date of addition / disposal.

c) In case of revalued Asset, the Depreciation calculated as per above method, and the difference between revalued value and original value is reduced from the total Depreciation and same is also reduced from the Revaluation Reserve.

d) In case of foreign subsidiaries, depreciation on fixed assets has been provided at the rates required/permissible by the Generally Accepted Accounting Principles of the respective countries.

6. **Revenue Recognition :**

a) Revenue from sale of products is recognized when all the significant risk and reward of ownership of the products are passed on to the customers, which is generally on dispatch of goods and acceptance.

b) Service income is recognized on the completion of services/contract with the customer, when the related services are performed.

c) Sales are accounted on gross basis inclusive of Sales Tax and Excise Duty less Sales Returns/ Rejection, brokerage and commission.

d) Excise duty in respect of finished goods is included in the valuation of finished goods.

e) Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.

7. **Research & Development :**

a) Revenue expenditure on research & development is charged to respective heads of account in the year of incurrence.

b) Research & Development expenditure incurred on the identified product/ process is carried forward when its future recoverability can reasonably regarded as assured. Expenditure incurred till the commencement of production / process is carried forward under capital work in process. The expenditure carried forward is amortized over the period of expected future sales from the related product/ process, not exceeding five years.

c) The carrying value of Research & Development cost is reviewed for impairment annually when the asset is not yet in use and otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

8. **Foreign Currency Transactions :**

a) The reporting currency of the company is Indian Rupee.

b) Foreign Exchange transactions are accounted for at exchange rate prevailing on the date of transactions. Year-end monetary assets and liabilities in foreign currency are translated at the applicable year-end exchange rate and the resultant difference in case of revenue item is recognized as gain / loss for the year and in case of capital account the same is adjusted against the respective fixed asset.

c) The premium or discount arising on forward exchange contract including those entered into to hedge foreign currency risk of a firm commitment or highly probable forecast transaction other than those which are not intended for trading or speculative purpose, are amortized as expenses or income over the life of the contract. Exchange difference on such contract is recognized in the profit & loss account of the reporting period in which the exchange rate changes. Any profit or loss arising on cancellation or renewal of such forward exchange contract is recognized as income or as expense of the year.

d) At the close of the year the outstanding balances in foreign currency are converted in Indian Rupees at the rate applicable on the last date of the year or Forward contract rate whichever is less. The option available under amendment to AS-11 relating to "the effects of changes in Foreign Currency Rates" in respect of its long term foreign currency monetary items has not been exercised and hence the principles laid down in AS-11 before such amendment have been continued to be followed.

9. **Investments :**

a) Long term quoted Investments are carried at lower of Cost or Market Value and provision is made to recognize any decline in the carrying value, as applicable.

b) Interest earned on Bank Fixed Deposit is accounted on accrual Basis.

c) Unquoted investments are accounted at cost.

d) Provision for diminution in value of long term investment is made, to recognize a decline other than temporary.

10. **Retirement Benefit Costs :**

a) Contribution to Provident Fund are accrued in accordance with applicable statues and deposited with the Regional Provident Fund Commissioner.

b) Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation Of India Ltd.

c) The liability in respect of Bonus and the liability for Leave Encashment has been provided at the year end on actual basis.

11. **Borrowing Costs :**

a) Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying asset are capitalised as part of the cost of such asset till such time as the asset is ready for its intended use or sale.

b) All other borrowing costs are recognized as an expense in the period in which they are incurred.

12. **Tax on Income** :

a) Indian Companies-income-tax expenses comprise current tax, deferred tax and fringe benefit tax.

b) Provision is made for the current tax including wealth tax and fringe benefit tax based on tax liability computed in accordance with relevant tax rates and tax laws.

c) The Accounting Standard 22 viz. "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, has become applicable to the Company. The Deferred Tax is recognized for all timing difference between "Taxable Income" and "Accounting Income" for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

d) Deferred Tax Assets are recognized and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

13. **Miscellaneous Expenditure :**

a) Miscellaneous expenditure is written off over a period of future economic benefit available not exceeding five years.

b) Deferred Revenue Expenditure incurred, is written off as current year expenses.

14. **Impairment of Assets :**

a) The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors, an asset is impaired, the company recognizes impairment loss as the excess of carrying amount of the asset over recoverable amount.

b) An impairment loss is reversed, if there has been a change in the estimates made to determine and recognize the recoverable amount in the earlier year.

c) In the opinion of the Management the recoverable amount of the assets is more than the carrying amount hence no impairment loss has been provided for in the final accounts.

15. **Provisions & Contingent Liabilities :**

a) Provisions are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

i. the company has a present legal or constructive obligation as a result of past event;

ii. a probable outflow of resources is expected to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation.

b) Reimbursements by another party, expected in respect of expenditure required to settle a provision, is recognised when it is virtual certain that reimbursement will be received if obligation is settled.

c) Contingent liability is disclosed in the case of -

i. A present obligation arising from past event, when it is not probable that an outflow of resources will be required to settle the obligation;

ii. A possible obligation, unless the probability of outflow of resources is remote.

d) Contingent assets neither disclosed nor recognised.

e) Provision, contingent liabilities and contingent assets are reviewed at each balance sheet date.

16. **Earnings Per Share :**

a) The earnings considered in ascertaining the company's EPS comprises, the consolidated Net Profit after Tax and the number of equity shares on weighted average during the year.

b) Basic earnings per share is computed and disclosed using the weighted average number of equity shares outstanding during the year.

17. **Capital work in Progress :**

The Expenditure which is of the nature of Capital and the Assets for which it is incurred which has not come into existence/ put to use during the year is shown under this heading and includes R & D Expenses for process development not completed till the date of Balance Sheet.

18. **Insurance Claims :**

Claims receivable from Insurance Companies against risks covered are accounted on cash basis in the year of receipt.

19. **Tools & Dies :**

Tools & Dies designed/ manufactured in house has been capitalized considering direct cost of the material, Salary, Wages paid to tool room employees and other incidental expenses and the proportionate overheads related thereto.

B] NOTES TO ACCOUNTS :

1. In term of Accounting Standard (AS) 21 Consolidated Financial Statements and (AS) 23 Accounting for Investments in Associate in Consolidated Financial Statements, the consolidated financial statements present the consolidated accounts of Autoline Industries Limited (the Parent Company) with its subsidiaries & Joint Venture as under:

Name of Subsidiaries/Joint Venture	Country of incorporation	As at 31-03-2009 Proportion of Ownership Interest either directly or through subsidiary	As at 31-03-2008 Proportion of Ownership Interest either directly or through subsidiary
Indian Subsidiaries:			
i) Autoline Design Software Ltd.	India	100.00%	100.00%
ii) Western Pressing Ltd.	India	100.00%	100.00%
iii) Nirmiti Autocomponents Pvt. Ltd.	India	100.00%	76.11%
iv) Autoline Industrial Parks Ltd.	India	51.12%	65.48%
v) Nuvent Technologies Pvt. Ltd.	India	51.00%	51.00%
Foreign Subsidiaries			
i) Autoline Industries USA INC	USA	100.00%	100.00%
ii) DEP Autoline LLC USA	USA	51.00%	51.00%
iii) Koderat Investments Limited	Cyprus	100.00%	Nil
Joint Venture			
i) Union Autoline Spare Parts, LLC	UAE	49.00%	49.00%

2. **Contracts remaining to be executed :**

a) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance) Rs.56,00,00,000/- (Previous Year Rs. 95,00,00,000/-), bifurcation as follows:-

i. In Autoline estimated amount of Contracts remaining to be executed on capital account and not provided for Rs. 20,00,00,000/- (Previous Year Rs. 50,00,00,000/-).

ii. In Nirmiti estimated amount of Contracts remaining to be executed on capital account and not provided for Rs. 1,00,00,000/- (Previous Year Rs. 10,00,00,000/-)

iii. In AIPL estimated amount of contract on capital account remaining to be executed and not provided for Rs. 35,00,00,000/-. (Previous Year Rs. 35,00,00,000/-)

3. **Contingent Liabilities :**

Contingent Liabilities and claims against the company not acknowledged as debts:

a) In case of Autoline:

i. Export Obligation - Export Obligation in respect of saving in Custom Duty on Import of Machinery is to be completed up to 23rd May, 2010. Amount due up to 31st March, 09 can not be worked out hence the liability for the year ending on 31st March, 2009 is not defined. Export obligation up to 31st March,2006 cleared by payment of Compensation of Rs.6,97,080/-.

ii. Electricity Payment – Maharashtra State Electricity Distribution Company (M.S.E.D.C.) has raised a demand of Rs.16.43 Lacs for the Chakan unit and the Company has disputed the demand and the matter is pending in the court.

iii. Bank Guarantees – Bank Guarantees for Export Obligation Rs. 6,59,179/-. Bank Guarantees for Tools & Dies Rs. 3,30,000/-.

iv. Claim for Creditor for Interest and Damages/ compensation for Rs. 5, 57,949/-.

v. Tassi Ltd. based at London, England has filed a suit for loss of revenue for Investment in SZ Design SRL by Wholly Owned Subsidiary Koderat Investments Ltd amounting to • 930,000 plus interest cost and attorney fees. The suit has been defended by the company. As per the management, since the company is not party to this agreement, the company do not foresee any liability on this account.

vi. Obligation for granting of interest free unsecured loan of 6 million euros to SZ Design SRL through Wholly Owned Subsidiary Koderat Investments Ltd.

vii. Corporate Guarantee of USD 3,500,000 given to Autoline Industries Indiana LLC, USA.

USD 20,00,000 – Working Capital

USD 15,00,000 – Refinancing of debt

Corporate Guarantee of Rs. 12,50,00,000/- given to Kotak Mahindra Bank, for loan given to Wholly Owned Subsidiary Nirmiti Autocomponents Pvt. Ltd.

b) In case of Western:

i. Corporate Guarantee is given by the Company for Loans availed by the holding Company for Rs. 65.00 Crores. (Prev. Year Rs. 3.00 Crores)

c) In case of ADSL:

i. Bank Guarantee – Bank Guarantee of Rs. 3,05,000/- (Previous Year Rs. 6,05,000/-)

ii. Unpaid Dividend on 12% Cumulative Redeemable Preference Shares for the year 2007-08 & 2008-09 is Rs. 33,91,022/- (Rs. 16,95,511/- for previous year)

4. **Earnings Per Share :**

Disclosures as required by Accounting Standard (AS) 20 Earning Per Share.

Amount In Rs.

Particulars	2008-09	2007-08
(a) Profit for the year after tax and Minority Interest	4,68,40,137	30,21,97,295
(b) The weighted Average number of equity shares of Rs. 10 Each	1,17,32,098	1,05,13,382
(c) Earning per Share (On weighted Average)	3.99	28.74
(d) Earning per Share (On Basic & Diluted)	3.84	27.59

5. **Foreign Currency Transactions :**

The net exchange fluctuations Profit of Rs. 30,57,179/- on FCNR (B) loan has been credited to the profit & Loss account.

6. **Related Party Transactions :**

Disclosures as required by Accounting Standard (AS) 18 Related Party Disclosures.

a) Relationships :

i. Key Management Personnel and their Relatives :

1. Mr. Shivaji Akhade - Managing Director & CEO of Autoline
2. Mr. M. Radhakrishnan - Jt Managing Director of Autoline
3. Mr. Sudhir Mungase - Wholetime Director of Autoline
4. Mr. Gopal Patwardhan - Chairman of Autoline
5. Mr. Vilas Lande - Chairman Emeritus of Autoline
6. Mrs. Rema Radhakrishnan - Relative of Director of Autoline
7. Mr. Charuchandra Shrotri - Managing Director of Nirmiti

ii. List of related parties with whom transactions were carried out during the year :

Associates :

A. Western Pressing Ltd.
B. Autoline Design Software Ltd.
C. Autoline Industrial Parks Ltd.
D. Autoline Industries USA Inc.
E. Nirmiti Autocomponents Pvt. Ltd.
F. DEP Autoline LLC USA
G. Koderat Investments Limited.

iii. Other Related Parties in which a Director is interested :

A. Balaji Enterprises
B. Shreeja Enterprises
C. Sumeet Developers
D. Om Sai Transport Co.
E. Isha Tools and Stampings Private Ltd.
F. Duke Real Estate & Development Pvt. Ltd.

b) The following transactions were carried out with the related parties in the ordinary course of business :

Nature of Transactions	Key management personnel & their relatives amount(Rs)	To/ from other entities amount (Rs)
Directors Remuneration	1,25,25,470/-	-
Commission to Non Executive / Independent Directors	7,20,000/-	-
Independent Directors Sitting Fees	5,30,000/-	-
Other Remuneration/ Professional Charges	21,96,300/-	-
Car Hire Charges	4,29,992/-	-
Labour Charges & Material Supply (Purchase)	-	2,16,41,801/-
Sale of Material	-	49,80,423/-
Sale of Assets (Nirmiti)	-	1,22,35,533/-
Rent payment	-	21,37,862/-
Computer Aided Services	-	1,13,46,730/-
Interest Paid (Autoline)	-	6,16,598/-
Management Fees	-	1,04,63,500/-
Payment to Nirmiti for Goodwill	-	1,33,00,000/-
Loan taken	-	1,00,00,000/-
Transportation	-	1,30,85,672/-
Purchase of land	-	2,48,18,900/-

Note : (1) Related party relationship is as identified by the company and relied upon by the Auditors.

(2) Related party transactions have been reported at their Gross Values (i.e. including taxes).

8. Nirmiti Autocomponents Pvt. Ltd. has entered into an agreement with promoter director, for name protection of Nirmiti. As per the said agreement the company has to pay an amount of Rs. 400/- Lacs, which is due for payment over a period of 3 years in equal installment, with fulfilling certain condition. Accordingly the company has paid 1st Installment of Rs. 133/- Lacs and the same has been capitalized under the head "Intangible Asset."

9. **Segment Reporting :**

Disclosures as required by Accounting Standard (AS) 17 Segment Reporting

The Autoline Group has disclosed Business Segments as the primary segments. Segments have been identified taking into account the nature of activities of the holding company, its subsidiaries, the deferring risk and returns, the organizational structure and internal reporting system.

The Group's operation predominantly relates to "Press Sheet Auto Components and Assemblies". Other business segments contribute less than 10% of the total revenue and therefore they have been grouped as "Others"

The segment Revenue, segment Results, segment Assets, segment Liabilities includes respectively amounts identifiable to each of the segments and also amounts allocated on a reasonable basis.

A. Primary Segment (Business Segment) :

(Rs. in Lacs)

PARTICULARS	PRESS SHEET & AUTO COMPONENTS, ASSEMBLIES	OTHERS	TOTAL
REVENUES :	Rs.	Rs.	Rs.
External Revenue	36,040.09	2,275.61	38,315.70
Total Segment Revenue	36,040.09	2,275.61	38,315.70
Results (Profit before Financial Expenses, Depreciation)	2,429.56	476.04	2,905.60
Less : Financial Expenses	793.97	8.57	802.55
Depreciation	1060.88	152.92	1213.80
Current Tax	66.74	60.69	127.43
Tax Short Provision For Last Year	-	0.14	0.14
Excess Provision written back	(1.40)	-	(1.40)
Deferred Tax	88.33	-	88.33
Fringe Benefit Tax	11.15	1.20	12.35
Net Profit	409.89	252.53	662.41
Segment Assets	26,506.96	13,945.54	40,452.50
Segment Liabilities	32,537.43	7,915.06	40,452.50
Fixed Assets	25,707.14	2,316.56	27,920.98
Depreciation	2,599.36	586.25	3,082.88
Investments	36.60	2,215.51	2,252.11
Other Current Assets	2,973.93	6,390.12	9,364.05
Other Current Liabilities	7,400.27	947.66	8,347.93
Secured Loans	10,316.94	78.26	10,395.20
Unsecured Loans	3,607.67	717.58	4,325.26
Proposed Dividend Including Tax	142.79	-	142.79

B. Secondary Segment (Geographical Segment) :

	Particulars	Domestic	Overseas
a)	The Distribution of Sales :	28,416.65	6,629.09
	Sales and Services Revenue		
b)	The location of tangible/intangible fixed assets :		
	Tangible Assets (Gross block)	25,636.23	2,182.17
	Intangible Assets (Gross block)	205.30	-

10. As per the best estimate of the Management, no provision is required to be made as per Accounting Standard (AS) 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by The Institute of Chartered Accountants of India, in respect of any present obligation as a result of past event that could lead to a probable outflow of resources which could be required to settle the obligation.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES

CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR)

PARTNER

M. No. 30305

PLACE : PUNE

DATE : 17th JUNE 2009.

FOR AUTOLINE INDUSTRIES LIMITED

GOPAL PATWARDHAN
CHAIRMAN

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

SANJAY LANDGE
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

PARTICULARS RELATING TO THE SUBSIDIARY COMPANIES PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956

Sr. No	Name of the Subsidiary Company	Financial Year of the Subsidiary ended on	Shares of Subsidiary held by the company on 31.3.09		Net aggregate amount of Profit / (loss) of the Subsidiary for the financial year ended 31.3.2009 So far as they concern members of the company		Net aggregate amounts of the Profits / loss for the pervious Financial years of the Subsidiary Company since it became Subsidiary so far as they concern members of the company as on 31.03.09	
			Number & face value	Extent of Holding (%)	Dealt with in the accounts of the Company for the year ended 31.3.2009	Not dealt within the accounts of the Company for the year ended 31.3.2009	Dealt with in the accounts of the company for the year ended 31.3.2009	Not dealt within the accounts of the company for the year ended 31.3.2009
1.	Western Pressing Limited	31.3.2009	13,00,000 fully paid up equity shares of Rs. 10/- each	100%	2,91,436	NIL	14,64,355	NIL
2	Autoline Design Software Limited	31.3.2009	1) 21,40,816 fully paid up equity shares of Rs. 10/- each 2) 14,12,926 12% Cumulative Redeemable Pref. Shares of Rs.10/- each fully paid)	100%	10,13,874	NIL	18,16,093	NIL
3	Nirmiti Auto components Private Ltd	31.3.2009	1,92,062 fully paid up equity shares of Rs. 100/- each	100%	4,66,079	NIL	81,87,154	24,23,551
4	Autoline Industrial Parks Ltd	31.3.2009	2,48,19,994 fully paid up equity shares of Rs. 10/- each	51.12%	51,67,271	49,40,850	54,58,178	1,53,362
5	Nuvent Technologies Private Limited	31.3.2009	25,500 fully paid up equity shares of Rs. 10/- each	51.00%	11,89,932	11,43,268	27,39,777	14,89,067
6	DEP Autoline LLC. USA	31.12.2008	30,600 Stock/ Shares of $ 1 each fully paid	51.00%	1,38,60,799	1,33,17,238	2,71,65,240	1,27,82,698
7	Autoline Industries INC USA	31.3.2009	1,00,000 Shares/ Stock of $ 1 each fully paid	100.00%	(2,06,12,361)	NIL	76,42,028	NIL
8	Koderat Investments Limited, Cyprus*	31.3.2009	1,000 Shares/ Stock of Euro 1 each fully paid	100%	(6,55,172)	NIL	*NO	*NO

*** Companies acquired during Financial Year 2008-09**

Place: Pune
Date: 17th June, 2009

FOR & ON BEHALF OF THE BOARD

GOPAL PATWARDHAN
Chairman

M. RADHAKRISHNAN
Jt. Managing Director

SHIVAJI AKHADE
Managing Director

SANJAY LANDGE
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

Details of Balance Sheet and Profit and Loss Account of Subsidiary Companies for the year Ended 31.03.2009

Rs.

		INDIAN SUBSIDIARIES					FOREIGN SUBSIDIARIES		
SR. NO	PARTICULARS	AUTOLINE DESIGN SOFTWARE LIMITED	WESTERN PRESSING LIMITED	AUTOLINE INDUSTRIAL PARKS LIMITED	NIRMITI AUTO-COMPONENTS PVT. LTD.	NUVENT TECHNOLOGIES PRIVATE LIMITED	AUTOLINE INDUSTRIES USA,INC	DEP AUTOLINE LLC, USA	KODERAT INVESTMENTS LIMITED*
1	Share Capital	35,537,420	13,000,000	485,602,500	19,206,200	500,000	46,956,870	3,130,458	68,910
2	Reserve and Surplus	10,000,000	12,107,425	274,684,890	17,671,633	8,645,433	20,564,459	80,078,616	(655,172)
3	Total Assets	70,037,662	25,107,425	760,287,390	163,169,431	11,171,823	399,846,029	202,876,794	221,846,103
4	Total Liabilities	24,500,242	-	-	126,291,597	2,026,390	332,324,699	119,667,720	222,432,365
5	Details of Investment	-	-	-	-	-	-	-	-
	Government	-	-	-	-	-	-	-	-
	Securities	-	-	-	-	-	-	-	-
	Shares (Excluding Subsidiaries)	-	-	-	142,800	-	-	-	-
	Mutual Funds	-	-	108,190	1,757,136	-	-	-	-
6	Turnover and Other Income	46,991,897	1,803,231	17,859,704	610,348,068	34,484,968	480,728,260	184,734,233	-
7	Profit before taxation	1,376,874	342,011	12,543,121	972,797	2,640,426	(19,781,590)	29,911,874	(655,172)
8	Provision for taxation	363,000	50,575	2,435,000	506,718	307,226	(830,771)	2,733,837	-
9	Profit after taxation	1,013,874	291,436	10,108,121	466,079	2,333,200	(20,612,361)	27,178,037	(655,172)
10	Proposed Dividend	-	-	-	-	-	-	-	-

Notes:-

1 **in respect of foreign subsidiaries:**

a) For DEP Autoline LLC USA & Autoline Industries USA INC: Item Nos. 1 to 5 are translated at exchange rate as on 31st March 2009 - USD $ = Rs. 52.17

b) Item Nos. 6 to 9 are translated as follows :

i) For DEP Autoline LLC USA: at quarter end average exchange rate : USD $ = Rs. 46.08

ii) For Autoline Industries USA INC: at month end average exchange rate : USD $ = Rs. 47.47

c) Item Nos. 1 to 9 with regard to Koderat Investments Ltd are translated at exchange rate as on 31st March, 2009 - Euro = Rs. 68.91

2 The above details have been annexed in terms of Letter No. 47/382/2009 –CL-III dated 3rd July ,2009 issued by Government of India,Ministry of Corporate Affairs, New Delhi under Section 212(8) of the Companies Act, 1956.

3 *Company acquired during the Financial year 2008-09.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Information pursuant to Part IV of Schedule VI of the Companies Act, 1956

I Registration Details

Registration No. CIN

L 3 4 3 0 0 P N 1 9 9 6 P L C 1 0 4 5 1 0

Balance Sheet Date 3 1 - 0 3 - 2 0 0 9

II Capital raised during the year(Amount in Rs. Lacs)

Public Issue: NIL

Rights Issue: NIL

Bonus Issue: NIL

Private Placement: 125

III Position of Mobilisation and Deployment of Funds (Amount in Rs. Lacs)

Total Liabilities: 32061.57

Total Assets: 32061.57

Source of Funds

Paid-up Capital: 1220.50

Reserves & Surplus: 16107.99

Convertible Warrants: 270.00

Secured Loans: 8703.44

Unsecured Loans: 5276.23

Deffered Tax Liability: 483.42

Application of Funds

Net fixed Assets: 20488.54

Investments: 8562.22

Net Current Assets: 3002.82

Misc. Expenditure: 7.99

Accumulated Loss: 00.00

IV. Performance of Company (Amount in Rs.Lacs)

Turnover: 23734.52

Total Expenditure: 21551.43

Profit before Tax: 624.40

Profit after tax: 457.10

Earnings per share (in Rs.): 3.75

Dividend Rate %: 10.00

V Generic Names of Three Principal Products/Services of Company(as per monetary terms)
ITEM CODE
Manufacturing of sheet metal auto components, subassemblies and main assemblies

*** During the year 10,80,000 Convertible Warrants of Rs. 10/- each at a premium of Rs. 240/- per share were issued. Warrant holder(s) have paid 10% of issue price i.e. Rs. 25/- per Convertible Warrant total amounting to Rs. 270.00 Lacs**

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Autoline Industries Limited

Registered Office : S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.

ATTENDANCE SLIP

To be presented at the entrance of the meeting venue

I / We hereby record my / our presence at the 13th Annual General Meeting of the Company at S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist-Pune- 410 501 on Friday, 25th September, 2009 at 3.00 p. m.

Name _____

Ledger Folio / ID No.		No. of Shares		Signature

Note : Only shareholders / proxies / authorized representatives are allowed to attend the meeting.

Tera Here

Autoline Industries Limited

Registered Office : S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.

PROXY FORM

I / We _____

of _____ being a member(s) of Autoline Industries Limited hereby appoint _____ or failing him / her _____ as my / our proxy to attend and vote for me/us and on my/our behalf at the 13th Annual General Meeting of the Company to be held on Friday, 25th September, 2009 and / or at any adjournment thereof.

Ledger Folio / ID No.		No. of Shares	

Signed this _____ day of _____ 2009.

Note : The proxy form duly completed and signed should be deposited at the Registered office of the Company not later than 48 hours before the time of the meeting.

Affix Revenue Stamp

Signature

Tere Here

Autoline Industries Limited

Registered Office : S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Dist - Pune – 410 501.

BANK ACCOUNT PARTICULARS

I / We am / are holding _____ equity shares under Folio / ID No. _____ and do hereby authorize Autoline Industries Limited, to print the following details on my / our Dividend Warrant/s.

Account Type : Savings / Current

Account No. _____

Bank Name : _____

Branch _____

Date : _____

Signature of Shareholder/s _____

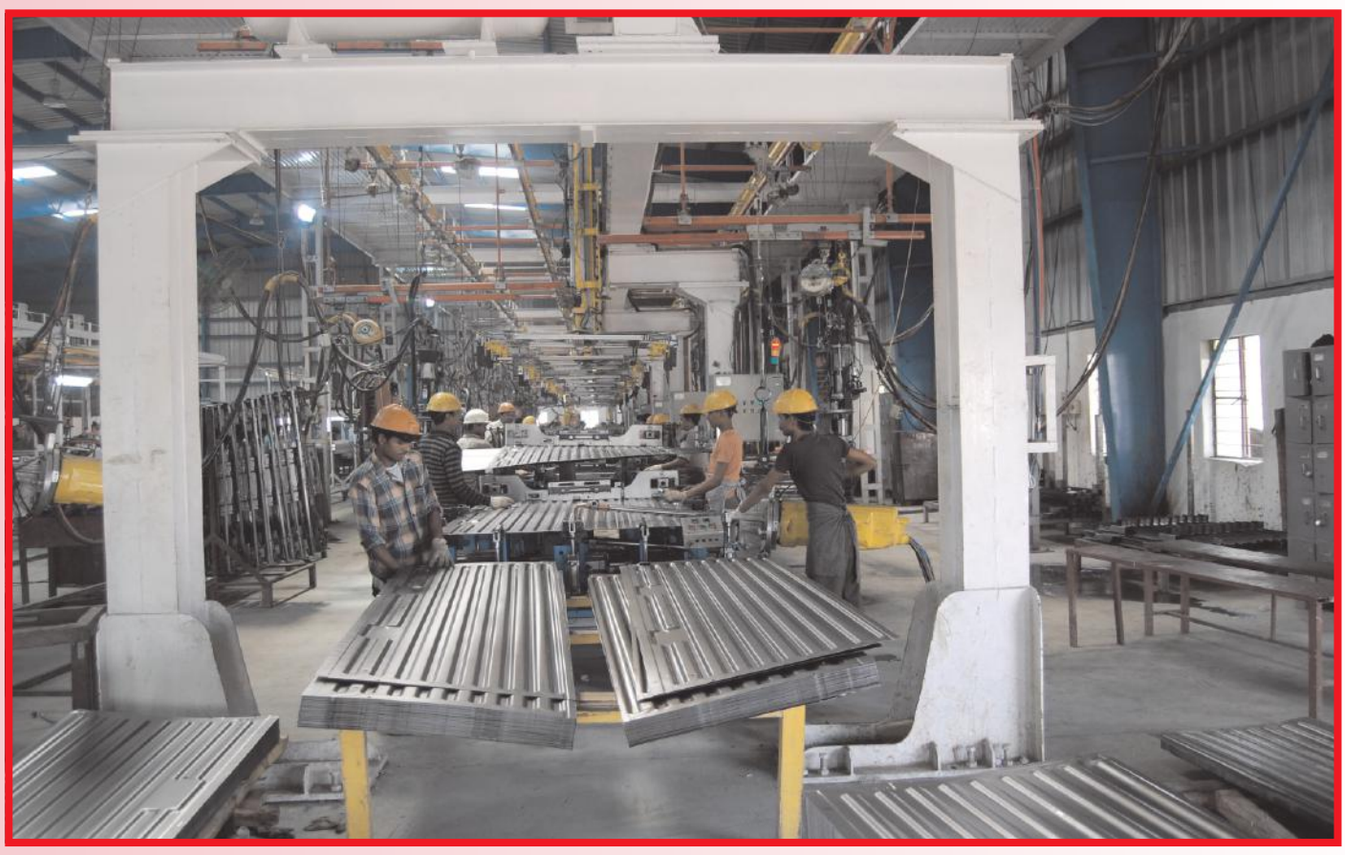
Tere Here

FOOT CONTROL MOUNTING SEMI AUTOMATIC ASSEMBLY LINE FOR VARIOUS AUTOMOTIVE OEMs - AT BHOSARI PLANT, PUNE, INDIA

CLIMATIC CHAMBER WHERE ASSEMBLY PERFORMANCE AT EXTREME LOW (MINUS 68°C) & EXTREME HIGH TEMPERATURE (PLUS 177 °C) WITH HUMIDITY CONTROL FROM 0% TO 99% CAN BE CHECKED & COVERS MAJOR TESTING AND VALIDATION REQUIRMENT AS LAID DOWN BY GLOBAL OEMs

MANUFACTURING FACILITY AT PLOT NO. 5
'IIE, PANTNAGAR RUDRAPUR, UTTARAKHAND – 263 153'
(NIRMITI AUTOCOMPONENTS PVT. LTD.)

'IIE, PANTNAGAR RUDRAPUR, UTTARAKHAND – 263 153'
VIEW OF ASSEMBLY LINE



AWARD RECEIVED FROM TATA MOTORS LIMITED:

"Best Performance Award" in Sheet Metal Business at the National Vendor Meet of Tata Motors Limited held on 16th October, 2008 At Hotel Taj, Mumbai.

AUTOLINE INDUSTRIES USA, INC, BUTLER, INDIANA STATE, USA
GROUP PHOTOGRAPH

MANUFACTURING FACILITY (WITH 1250 TON PRESS LINE) -
PLOT NO 8 'IIE, PANTNAGAR RUDRAPUR, UTTARAKHAND – 263 153'