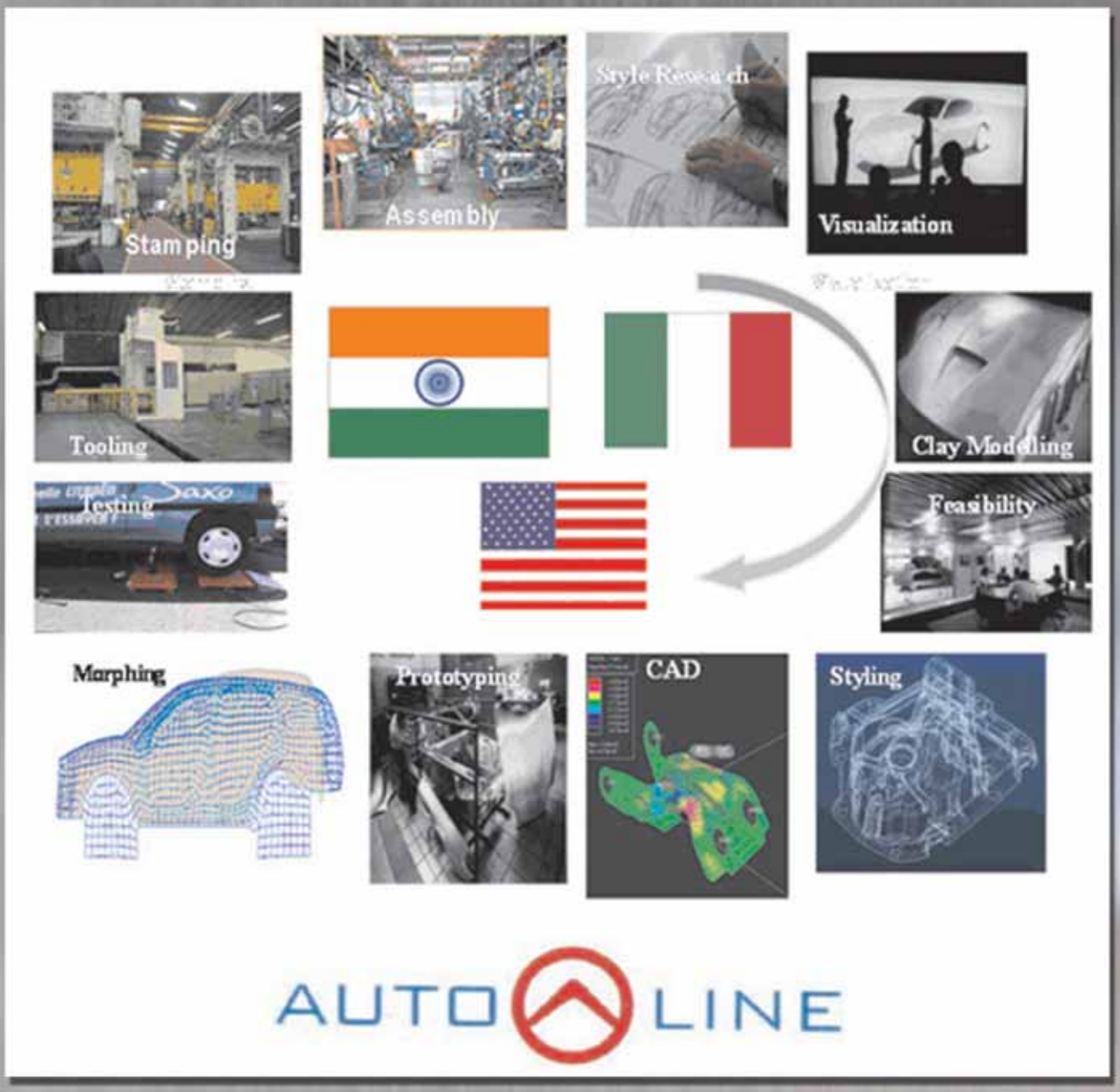


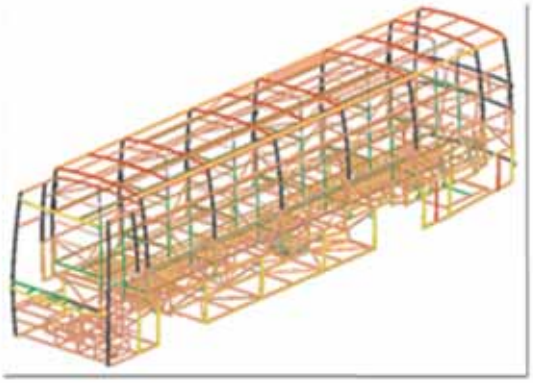
14th Annual Report 2010

Autoline Industries Limited

BEST PERFORMANCE AWARD FOR "EXCELLENCE IN QUALITY" IN SHEET METAL BUSINESS AT NATIONAL VENDOR MEET -TATA MOTORS LIMITED- 3RD FEBRUARY, 2010

GENERAL MOTOR'S "SUPPLIER OF THE YEAR AWARD - 2009". AT GM DOME, WARREN, MICHIGAN, USA
AUTOLINE INDUSTRIES, USA INC – 11TH MARCH, 2010

REVERSE ENGINEERING OF BUS FRAME FOR BUS MANUFACTURER



STYLING CONCEPTS DEVELOPED FOR SCHOOL BUS IN USA

STYLING CONCEPTS DEVELOPED FOR OEM

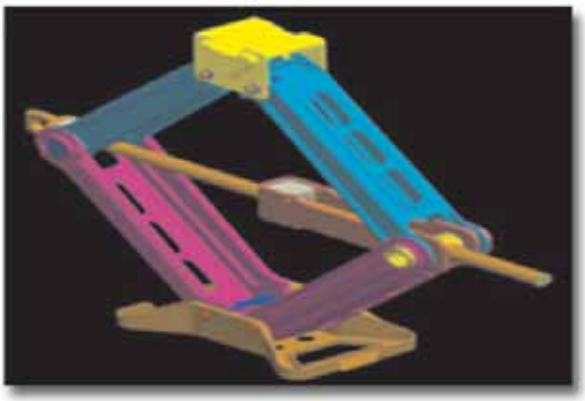
PEDAL REDESIGN

Original

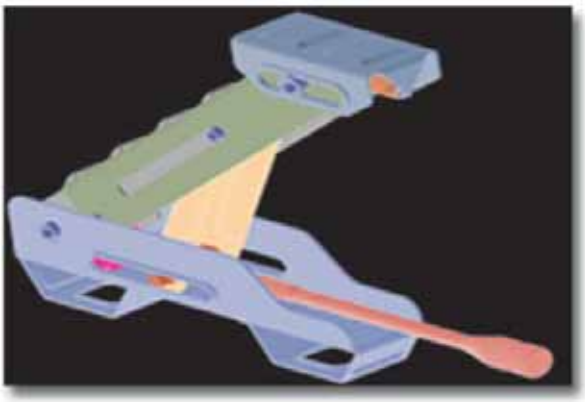
Redesigned

JACK REDESIGN

Original



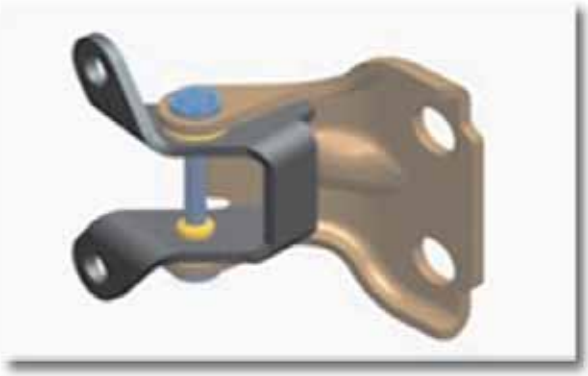
Redesigned
(QUICK JACK WITH 40% LESS PART)



HINGE REDESIGN

Original

Redesigned



CHAIRMAN EMERITUS	**Mr. Vilas V. Lande**	
BOARD OF DIRECTORS		
CHAIRMAN	**Mr. Gopal G. Patwardhan** *(till 20th March, 2010)*	***Non-Executive***
	Mr. Prakash B. Nimbalkar *(from 20th March, 2010)*	
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***
	Prof. Abraham Koshy	
	Mr. Ajit B. Karnik	
	Cmde. N. Ravindranathan IN *(Retd)*	
	Prof. Chandramouli Padmanabhan *(till 29th October, 2009)*	
	Mr. Rakesh Jhunjhunwala	***Non-Executive***
	Mr. J. Stanton Dodson *(till 20th March, 2010)*	
CHIEF FINANCIAL OFFICER	**CA. Narayan G. Bhat**	
COMPANY SECRETARY	**Mr. Ashutosh B. Kulkarni**	
AUDITORS	**Gujar Rawat Sheth & Associates** Chartered Accountants, Pune.	
INTERNAL AUDITORS	**R.M. Rajapurkar & Co.,** *Chartered Accountants, Pune.* *(till 31st March, 2010)*	
REGISTERED OFFICE	S. Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan, Taluka- Khed, District- Pune - 410 501.	
BANKERS	1. Citibank N.A.	
	2. State Bank of India	
	3. Union Bank of India	
	4. Axis Bank Limited	
	5. SICOM Limited	
	6. Kotak Mahindra Bank Limited	
	7. DBS Bank Limited	
	8. Small Industries Development Bank of India	
	9. Bank of Baroda	

AUTOLINE

FACTORY 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, 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, SIDCUL, Rudrapur, Uttarakhand – 263 153.
9. #2/86, 7th Avenue, Ashok Nagar, Chennai – 600 083.

Foreign locations:

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

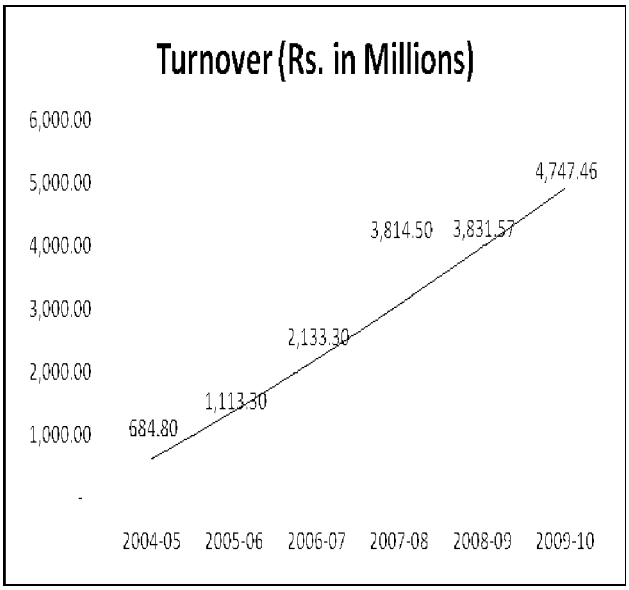
14th Annual General Meeting

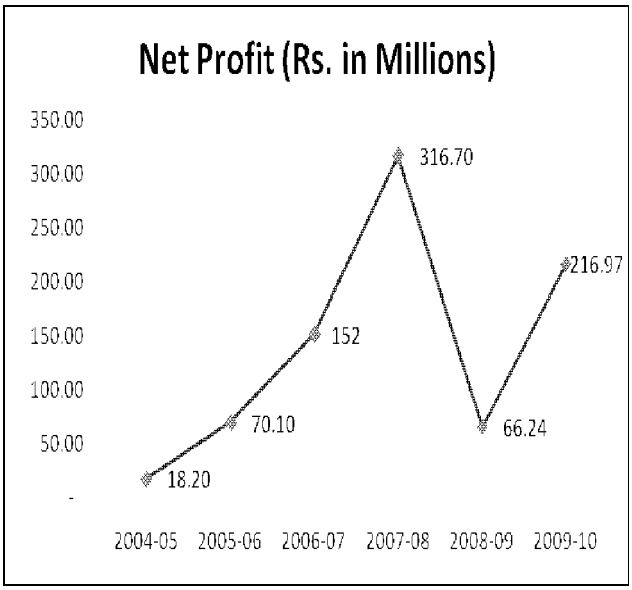
Date : Friday, September 24, 2010

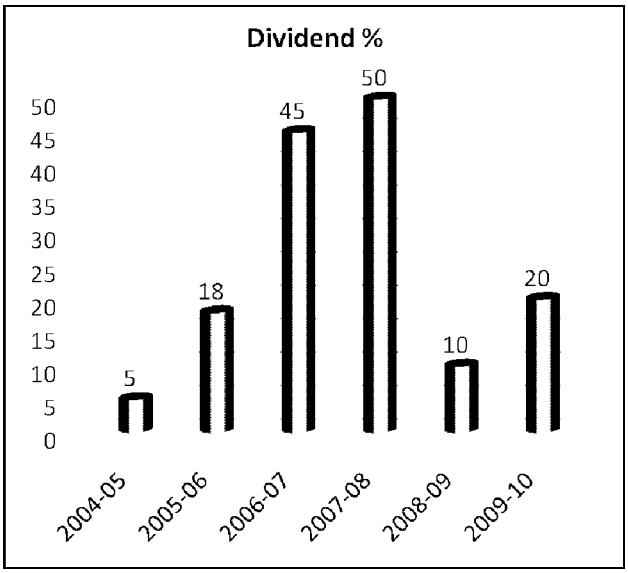
Time : 3.00 p.m.

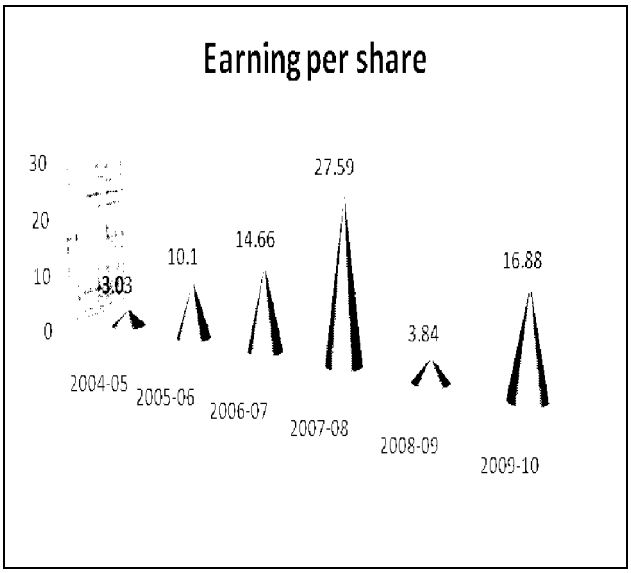
Venue : S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka - Khed, Dist-Pune- 410 501

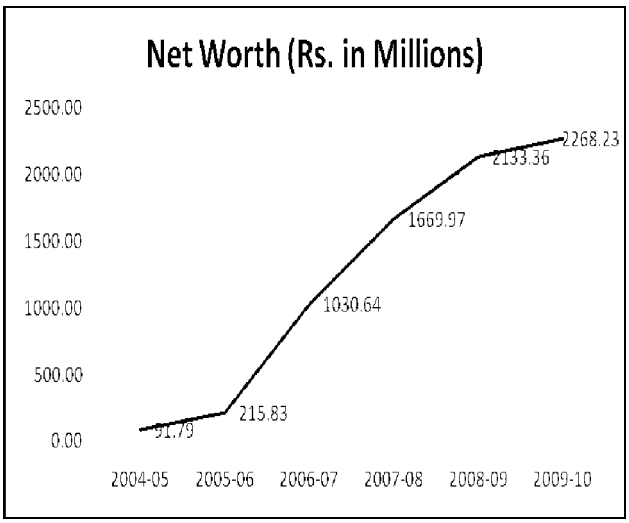
FINANCIAL PERFORMANCE

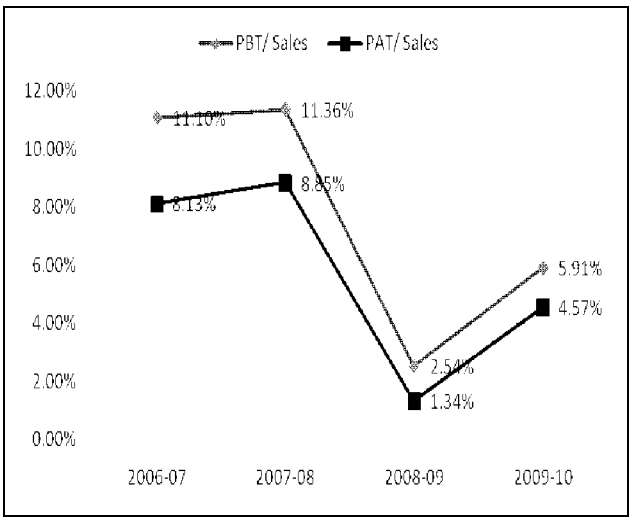












FINANCIAL HIGHLIGHTS FOR LAST FIVE YEARS (STANDALONE)

(Rs. in Million)

PARTICULARS	2009-10	2008-09	2007-08	2006-07	2005-06
Net Fixed Assets	2,282.49	2,048.85	1,567.02	877.48	527.28
Investments	874.94	856.22	606.02	58.05	26.54
Net Current Assets	324.03	300.28	421.27	459.54	85.72
Miscellaneous Expenditure	0.60	0.80	-	-	0.65
TOTAL ASSETS (NET)	**3,482.06**	**3,206.16**	**2,594.31**	**1,395.07**	**640.19**
Share Capital	122.05	122.05	109.55	103.67	81.06
Share Warrants	-	27.00	-	-	-
Reserves & Surplus	1,741.32	1,610.80	1,302.00	903.45	134.77
Secured Loan	1,167.69	870.34	769.55	288.56	312.79
Unsecured Loan	386.11	527.62	376.60	86.60	111.57
Deferred Tax Liability (Net)	64.89	48.34	36.61	12.79	-
TOTAL FUND EMPLOYED	**3,482.06**	**3,206.16**	**2,594.31**	**1,395.07**	**640.19**
INCOME					
Sales (Gross)	3,021.25	2,631.94	3,022.90	2,100.32	1,113.26
Less : Excise Duty	225.14	291.22	356.63	264.95	146.20
Sales (Net)	2,796.10	2,340.73	2,666.27	1,835.37	967.05
Other Income	29.97	18.66	11.62	1.50	0.96
Increase/ Decrease of Finished Goods.	(0.37)	14.07	(12.02)	2.27	6.10
TOTAL INCOME	**2,825.70**	**2,373.45**	**2,665.87**	**1,839.15**	**974.12**
EXPENDITURE					
Raw material / Consumables and Others	1,765.23	1,576.63	1,748.60	1,214.38	616.08
Other Manufacturing Cost	446.31	402.24	393.84	292.65	167.80
Employment Cost	143.91	121.86	77.83	30.84	21.12
Administrative and Selling Cost & Others	90.26	54.21	57.47	45.03	53.12
Preliminary & Miscellaneous Expenses Written off	0.20	0.20	-	0.65	0.31
Interest	101.91	71.68	45.26	22.11	17.58
Depreciation	104.75	84.19	43.22	28.45	21.06
PROFIT BEFORE TAX	**173.13**	**62.44**	**299.65**	**205.05**	**77.04**
TAX					
Income Tax	24.50	7.21	33.80	41.40	6.50
Fringe Benefit Tax	-	0.85	0.72	0.51	0.42
Deferred Tax Liability (Net)	13.50	8.68	20.78	12.79	-
PROFIT AFTER TAX	**135.13**	**45.71**	**244.35**	**150.35**	**70.13**
Balance Brought Forward	322.56	292.33	144.37	67.83	16.51
APPROPRIATIONS					
PROPOSED & DECLARED DIVIDENDS (Including Dividend Distribution Tax)	28.56	14.28	71.40	53.81	13.31
Amount transferred to General Reserve.	13.50	1.20	25.00	20.00	5.50
BALANCE CARRIED TO BALANCE SHEET	**415.63**	**322.56**	**292.33**	**144.37**	**67.83**

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	34
5	Corporate Governance Report	43
6	Standalone Accounts	
	• Auditors' Report	61
	• Balance Sheet	64
	• Profit and Loss Account	65
	• Cash Flow Statement	66
	• Schedules forming part of Balance Sheet and Profit and Loss Account	67
	• Notes to Accounts	74
7	Consolidated Accounts	
	• Auditors' Report	81
	• Balance Sheet	82
	• Profit and Loss Account	83
	• Cash Flow Statement	84
	• Schedules to Accounts	85
	• Notes to Accounts	93
8	Statement pursuant to Section 212 of the Companies Act, 1956	100
9	Details of Balance Sheet and Profit and Loss of subsidiary companies	101
10	Balance Sheet Abstract and Company's General Business Profile	102
11	Attendance slip / proxy form	

CHAIRMAN'S MESSAGE

***Dear Stakeholder*(s),**

During the last two years, the global economic slowdown has adversely affected economies of many countries and automobile industry was not an exception to this and was in fact, one of the worst hit industrial sector during this period. Your Company also faced lot of challenges to overcome numerous problems like most others in the industry.

Esteemed shareholders may recall that at the last AGM, your Company had expressed confidence to not only face these challenges but also take advantage of the opportunities emerging out of competitive environment. The global automobile sector seems to be recovering, and is expected to grow at much faster rate in coming years. As per the Automotive Mission Plan 2006-2016, the automotive industry continues to maintain strong confidence in long term. Consequently the industry is continuing its investments in capacity creation and is spending approximately $ 1.50 Billion annually.

I am happy to share with you that your Company has not only withstood the storm but showed a surge in the overall business performance. While your Company has achieved considerable increase in the overall business, there was also significant increase in the quality of business and earnings. The year was seen as a year of consolidation and focused attention was paid for streamlining the operations, cost control, increasing efficiency and effectively managing other costs.

Your Company is an integrated Design-Engineering-Manufacturing ancillary Company of automobile components and assemblies to the leading OEMs in the automobile industry. The Company has worked out niche areas for itself and redefined the product mix by constantly upgrading the same as per changing requirements of the OEMs. Today, your Company is engaged in conceptualizing, styling, design-engineering, prototyping and manufacturing of auto components through the business segments such as, styling, design and analysis application, software services, mechanical assembly, medium and large stamped assemblies. Your Company has eleven manufacturing facilities which manufactures more than 400 products for various vehicle segments including passenger cars as well as commercial vehicles. The Company also has design centers at Pune, Chennai, USA and Italy. India is emerging as a design hub and major global OEMs outsource their design & development work to India.

Our vision is "***to be an Innovation driven, Global Leader in Design, Engineering and Manufacturing of Automotive Mechanical Systems". In order to achieve this, we are continuously focusing on value chain and aim at backward and forward integration.***

The operations of the Company for the Financial Year 2010 have seen an excellent growth trajectory as compared to the operations of the previous year in as much as its consolidated revenue was to the tune of Rs.4747.46 Millions as compared to Rs.3831.57 Millions in the previous year. The company's Profit Before Tax and Profit After Tax were at Rs.266.66 Millions and Rs.205.97 Millions as against Rs.88.93 Millions and Rs.46.84 Millions respectively in the previous year. The earning per share for the Financial Year 2010 stood at Rs.16.88/- as against Rs.3.84/- for the previous Financial Year.

I am glad to inform that the Board of Directors has recommended enhanced dividend of 20 percent as compared to 10 percent in the previous year.

I am very optimistic about the Company's performance in the coming year. Your company would strive to achieve better performance based on various initiatives already underway aiming at enhancing the stakeholders' value. We will sharply focus on improving further in our product mix, efficiency, product innovation, rearranging of Bank's finance and expansion of business by adding new OEMs to our existing list and also to get closer to our OEMs by offering them best products and solutions. The subsidiary companies of Autoline are also expected to show excellent operational and financial results during the current year. With global economy showing signs of recovery, your company is confident of achieving the desired results, cope up with the emerging challenges and capitalize on the opportunities.

I feel privileged to lead your Company as Chairman. I must emphasize that while stepping into the coming financial year, our whole-hearted efforts will be to achieve higher growth besides gearing up for maximization of stakeholders' value in line with best corporate practices. I look forward to your continued support in strengthening your company's position.

I am grateful to the Board of Directors for their unstinted support and guidance. I would also like to express my gratitude to all the subsidiaries of Autoline, bankers, employees and shareholders who have reposed their confidence in the Company.

(P. B. Nimbalkar)
Chairman

NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the Members of Autoline Industries Limited will be held on Friday, 24th September, 2010 at 3.00 p.m. at S. Nos. 291 to 295, Nanekarwadi, Chakan, 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, 2010 and the Profit & Loss Account for the financial year ended 31st March, 2010 together with the Reports of the Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the year ended 31st March, 2010;
3. To appoint a Director in place of CA. Vijay K. Thanawala who retires by rotation, and being eligible, offers himself for re-appointment;
4. To appoint a Director in place of Prof. Abraham Koshy, who retires by rotation and being eligible, offers himself for re-appointment;
5. To appoint a Director in place of Mr. Rakesh Jhunjhunwala, 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 Special Resolution:**

   "**RESOLVED THAT** in pursuance of resolution passed at the Tenth Annual General Meeting held on 27th September, 2006 and in supersession of resolution passed at the Thirteenth Annual General Meeting held on 25th September, 2009 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 increase in remuneration from Rs. 36,00,000/- per annum or Rs. 3,00,000/- per month to Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month payable to Mr. Shivaji T. Akhade, Managing Director for the period commencing from 1st April, 2010 to 30th September, 2011.

   RESOLVED FURTHER THAT wherein in any financial year, during the currency of his appointment, if the Company has adequate profits, the Board of Directors or Committee thereof of the Company be and is hereby authorized to pay the additional remuneration being an amount over and above Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month but within the overall entitlement of ten per cent of net profits by way of salary, perquisites, commission and any other allowances to Mr. Shivaji T. Akhade, Managing Director subject to the provisions of Section 309 (3) of the said Act.

   RESOLVED FURTHER THAT notwithstanding anything contained herein above, wherein 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. 48,00,000/- per annum or Rs. 4,00,000/- per month and shall be governed by and be subject to the provisions contained in Section II of Part II of 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."

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 supersession of resolution passed at the Thirteenth Annual General Meeting held on 25th September, 2009 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 increase in remuneration from Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month to Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month payable to Mr. M. Radhakrishnan, Jt. Managing Director for the period commencing from 1st April, 2010 to 30th September, 2011.

RESOLVED FURTHER THAT wherein in any financial year, during the currency of his appointment, if the company has adequate profits, the Board of Directors or Committee thereof of the Company be and is hereby authorized to pay the additional remuneration being an amount over and above Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month but within the overall entitlement of ten per cent of net profits by way of salary, perquisites, commission and any other allowances to Mr. M. Radhakrishnan, Jt. Managing Director subject to the provisions of Section 309 (3) of the said Act.

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. 48,00,000/- per annum or Rs. 4,00,000/- per month and shall be governed by and be subject to the provisions contained in Section II of Part II of 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 supersession of resolution passed at the Thirteenth Annual General Meeting held on 25th September, 2009 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 increase in remuneration from Rs. 30,00,000/- per annum or Rs. 2,50,000/- per month to Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month payable to Mr. Sudhir V. Mungase, Wholetime Director for the period commencing from 1st April, 2010 to 30th September, 2011.

RESOLVED FURTHER THAT wherein in any financial year, during the currency of his appointment, if the company has adequate profits, the Board of Directors or Committee thereof is hereby authorized to pay the additional remuneration being an amount over and above Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month but within the overall entitlement of ten per cent of net profits by way of salary, perquisites, commission and any other allowances to Mr. Sudhir V. Mungase, Wholetime Director subject to the provisions of Section 309 (3) of the said Act.

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. 48,00,000/- per annum or Rs. 4,00,000/- per month and shall be governed by and be subject to the provisions contained in Section II of Part II of 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 : *14th August, 2010* *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 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 Special Business to be transacted at the meeting and details under Clause 49 of the listing agreement with Stock Exchange(s) in respect of Directors seeking appointment / re-appointment at the Annual General Meeting are annexed hereto. Brief resume of Directors, proposed to be appointed/re-appointed, nature of their expertise in specific functional area, names of companies in which they hold directorships and memberships/chairmanships of Board Committees, shareholdings and relationships between directors inter-se as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report.
5. In terms of Article 97 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956, CA Vijay K. Thanawala, Prof. Abraham Koshy, and Mr. Rakesh Jhunjhunwala, Directors, retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company commends their respective re-appointments.
6. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 18th September, 2010 to Friday, 24th September, 2010 (both days inclusive).
7. 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.
8. 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.
9. Members/ Proxies are requested to bring Annual Report and attendance slip duly filled in.
10. 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.
11. 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.
12. Dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after 24th September, 2010 to those persons or their mandate :
    a) whose names appear as Beneficial Owners as at the end of the business hours on Friday, 17th September, 2010 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, 17th September, 2010.
13. 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.
14. Documents referred to in any of the items of the notice are available for inspection at the registered office of the Company upto 24th September, 2010 on all working days, except Thursdays, during business hours of the Company.

15. 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
25.09.2009	05.10.2009	2008-09	1.00	24.09.2016

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 : *14th August, 2010* *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

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.

The remuneration of Mr. Shivaji T. Akhade was again revised on the same terms at the previous Annual General Meeting held on 25th September, 2009.

Considering the present economic scenario in general and Automotive Industry in particular, the Remuneration Committee at its meeting held on 14th August, 2010, has approved increase in remuneration & subject to approval of shareholders at the ensuing Annual General Meeting, the Board of Directors at its meeting held on 14th August, 2010 has decided to increase the remuneration payable from Rs. 36,00,000/- per annum or Rs. 3,00,000 per month to Rs. 60,00,000/- per annum or Rs. 5,00,000/- per month to Mr. Shivaji T. Akhade for the period commencing from 1st April, 2010 to 30th September, 2011, on the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2006 to 30th September 2011. (b) Period for which remuneration is being decided – For the period commencing from 1st April, 2010 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. 5,00,000/- per month or Rs. 6,000,000/- per annum (up to ceiling limits of 10% of net profits in terms of provisions of Section 309 of the Companies Act, 1956 at the discretion of the Board) 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 period commencing from 1st April, 2010 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 in Schedule XIII, in such case the remuneration payable shall not exceed the ceiling limit of Rs. 48,00,000/- per annum or Rs. 4,00,000/- per month.

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 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 provision 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. 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. 7 of the 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 2009-10: Rs. 3021.24 Millions Profit After Tax – Rs.135.13 Millions.
	5) Export performance and net foreign exchange collaborations.	Rs. 22.88 Millions for 2009-10 collaborations - NIL.
	6) Foreign investments or collaborators, if any.	As on 30th June, 2010
		Foreign Direct Investments by
		1. T. S. India Holding L.L.C- 6.55%.
		2. Duke Equity Partners, Inc – 0.72%.
		3. Other Foreign Institutional Investors-
		Emerging India Focus Funds - 1.64% .
II	**INFORMATION ABOUT THE APPOINTEE.**	Mr. Shivaji T. Akhade.
	1) Background details.	Mr. Shivaji Tukaram Akhade, aged 44 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. or Rs. 36,00,000 p.a.
	3) Recognition or awards.	'Pimpri Chinchwad Udyog Bhushan Purskar' from Annasaheb Magar Foundation.
	4) Job profile and his suitability.	Managing Director of the Company- Mr. Akhade has been providing the vision and the direction to the Company since inception. Professionals have been recruited from the Automobile Industry for working in the various functional areas. Mr. Akhade is fully conversant with the technicalities of the production and other processes as a result of his expertise in the early days of the firm, when he himself looked after all the functions.
	5) Remuneration proposed.	Rs.5,00,000/- p.m. or Rs. 60,00,000/- p.a. In addition to the above remuneration, the

		Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit of 10% of Net Profit computed under Section 349 and 350 of the Companies Act, 1956. In case the profits are not adequate, then remuneration payable will be limited to Rs. 4,00,000/- per month or Rs. 48,00,000/- per annum and shall be governed by and be subject to the provisions contained in Part II of Schedule XIII to the Companies Act, 1956.
	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.	Considering the correction in economic scenario in all over the world and particularly in Auto Sector in India and in light of good demand and order book position and with better operational efficiency, the Company is hopeful to generate good revenues and adequate profits to pay the increased remuneration within the overall limit prescribed under section 198, 309 and 310 of the Companies Act,1956. However, in case of any unforeseen downturn in economy in general and auto sector in particular, resulting in to inadequacy of profits, the limits prescribed under Section II of Part II of Schedule XIII will be adhered to.
	2) Steps taken or proposed to be taken for Improvement.	The Company has taken / will take necessary steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to its customer base and maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	With the correction of global recessionary trends in 2009-10, auto sector is expected to grow at much faster rate. In the financial year 2011, in light of good demand and better order book position and with improved operational efficiency, the Company is hopeful to generate good revenues.

ITEM NO. 8.

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.

The remuneration of Mr. M. Radhakrishnan was again revised on the same terms at the previous Annual General Meeting held on 25th September, 2009.

Considering the present economic scenario in general and Automotive Industry in particular, the Remuneration Committee at its meeting held on 14th August, 2010, has approved increase in remuneration & subject to approval of shareholders at the ensuing Annual General Meeting, the Board of Directors at its meeting held on 14th August, 2010 has decided to increase remuneration payable from Rs. 2,50,000/- per month or Rs. 30,00,000/- per annum to Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum to Mr. M. Radhakrishnan for the period commencing from 1st April, 2010 to 30th September, 2011, on the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2006 to 30th September 2011. (b) Period for which remuneration is being decided – For the period commencing from 1st April, 2010 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. 5,00,000/- per month or Rs. 60,00,000/- per annum (up to the ceiling limits of 10% of net profits in terms of provisions of Section 309 of the Companies Act, 1956 at the discretion of the Board)) 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 period commencing from 1stApril, 2010 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 in Schedule XIII, in such case the remuneration payable shall not exceed the ceiling limit of Rs. 48,00,000/- per annum or Rs. 4,00,000/- per month.

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 amounts payable to Mr. M. Radhakrishnan, in accordance with the provision 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. 8 of the 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 2009-10: Rs. 3021.24 Millions. Profit After Tax – Rs.135.13Millions.
	5) Export performance and net foreign exchange Collaborations.	Rs. 22.88 Millions for 2009-10 Collaborations - NIL.
	6) Foreign investments or collaborators, if any.	As on 30th June, 2010 Foreign Direct Investments by 1. T. S. India Holding L.L.C- 6.55%. 2. Duke Equity Partners, Inc – 0.72%. 3. Other Foreign Institutional Investors- Emerging India Focus Funds - 1.64% .
II	INFORMATION ABOUT THE APPOINTEE	Mr. M. Radhakrishnan
	1) Background details.	Mr. M. Radhakrishnan aged 56 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 30 years in the field of Development Banking and Finance in IDBI/ SIDBI and in areas of Entrepreneurship development, strategic planning & management.
	2) Past remuneration.	Rs. 2,50,000/- p.m. or Rs. 30,00,000/- p.a.
	3) Recognition or awards.	a) 'Best Entrepreneurial Banker Award' for 1996-97 by Entrepreneurs International. b) 'Business Excellence Award' from Rotary Club of Chinchwad, Pune in 2008-09. c) "Emerging Global Business Award" for the year 2009 from World Malayalee Council, Pune Province
	4) Job profile and his suitability.	Jt. Managing Director. Oversees Strategic Planning, Financial, Secretarial, Legal and HR functions of the Company.
	5) Remuneration proposed.	Rs.5,00,000/- p.m. or Rs. 60,00,000/- p.a In addition to the above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other

		allowances within an overall ceiling limit of 10% of Net Profit computed under Section 349 and 350 of the Companies Act, 1956. In case the profits are not adequate, then remuneration payable will be limited to Rs. 4,00,000/- per month or Rs. 48,00,000/- per annum and shall be governed by and be subject to the provisions contained in Part II of Schedule XIII to the Companies Act, 1956.
	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 66,453 equity shares – 0.54% 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.	Considering the correction in economic scenario in all over the world and particularly in Auto Sector in India and in light of good demand and order book position and with better operational efficiency, the Company is hopeful to generate good revenues and adequate profits to pay the increased remuneration within the overall limit prescribed under section 198, 309 and 310 of the Companies Act,1956. However, in case of any unforeseen downturn in economy in general and auto sector in particular, resulting in to inadequacy of profits, the limits prescribed under Section II of Part II of Schedule XIII will be adhered to.
	2) Steps taken or proposed to be taken for Improvement.	The Company has taken / will take necessary steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to its customer base and maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	With the correction of global recessionary trends in 2009-10, auto sector is expected to grow at much faster rate. In the financial year 2011, in light of good demand and better order book position and with improved 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. 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.

The remuneration of Mr. Sudhir V. Mungase was again revised on the same terms at the previous Annual General Meeting held on 25th September, 2009.

Considering the present economic scenario in general and Automotive Industry in particular, the Remuneration Committee at its meeting held on 14th August, 2010, has approved increase in remuneration & subject to approval of shareholders at the ensuing Annual General Meeting, the Board of Directors at its meeting held on 14th August, 2010 has decided to increase the remuneration payable from Rs. 2,50,000/- per month or Rs. 30,00,000/- per annum to Rs. 5,00,000/- per month or Rs. 60,00,000/- per annum to Mr. Sudhir V. Mungase for the period commencing from 1st April, 2010 to 30th September, 2011, on the following terms:

i) **Tenure of Agreement:** - (a) Period of appointment: - 1st October 2006 to 30th September 2011. (b) Period for which remuneration is being decided – For the period commencing from 1st April, 2010 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. 5,00,000/- per month or Rs. 60,00,000/- per annum (upto the ceiling limits of 10% of net profits in terms of provisions of Section 309 of the Companies Act, 1956 at the discretion of the Board) 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 period commencing from 1st April, 2010 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 in Schedule XIII, in such case the remuneration payable shall not exceed the ceiling limit of Rs. 48,00,000/- per annum or Rs. 4,00,000/- per month.

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 amounts payable to Mr. Sudhir V. Mungase, in accordance with the provision 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. 9 of the 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 2009-10: Rs. 3021.24 Millions Profit After Tax – Rs.135.13Millions.
	5) Export performance and net foreign exchange Collaborations.	Rs. 22.88 Millions for 2009-10. Collaborations - NIL
	6) Foreign investments or collaborators, if any.	As on 30th June, 2010 Foreign Direct Investments by - 1. T. S. India Holding L.L.C- 6.55%. 2. Duke Equity Partners, Inc – 0.72%. 3. Other Foreign Institutional Investors- Emerging India Focus Funds - 1.64% .
II	**INFORMATION ABOUT THE APPOINTEE**	Mr. Sudhir V. Mungase
	1) Background details.	Mr. Sudhir V. Mungase aged 35 years is Co-founder, Promoter & Wholetime Director of the Company since inception. He was reappointed Wholetime Director w.e.f. 4th August, 2006.
	2) Past remuneration.	Rs. 2,50,000/- p.m. or Rs. 30,00,000/- p.a.
	3) Recognition or awards.	Not applicable.
	4) Job profile and his suitability.	Wholetime Director. Associated with manufacturing and maintenance operations in the Company since inception. He has acquired expertise in Sheet Metal and Allied Operations. He oversees the production and maintenance functions.
	5) Remuneration proposed.	Rs.5,00,000/- p.m. or Rs. 60,00,000/- p.a In addition to the above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit of 10% of Net Profit computed under Section 349 and 350 of the Companies Act, 1956. In case the profits are not adequate, then remuneration payable will be limited to Rs. 4,00,000/- per month or Rs. 48,00,000/- per annum and shall be governed by and be subject to the provisions contained in Part II of Schedule XIII to the Companies Act, 1956.

	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.	Considering the correction in economic scenario in all over the world and particularly in Auto Sector in India and in light of good demand and order book position and with better operational efficiency, the Company is hopeful to generate good revenues and adequate profits to pay the increased remuneration within the overall limit prescribed under section 198, 309 and 310 of the Companies Act,1956. However, in case of any unforeseen downturn in economy in general and auto sector in particular, resulting in to inadequacy of profits, the limits prescribed under Section II of Part II of Schedule XIII will be adhered to.
	2) Steps taken or proposed to be taken for Improvement.	The Company has taken / will take necessary steps to reduce costs and to improve efficiencies, tap new business opportunities, diversify its business, enhance value addition to its customer base and maximize capacity utilization with least cost etc.
	3) Expected increase in productivity and profits in measurable terms.	With the correction of global recessionary trends in 2009-10, auto sector is expected to grow at much faster rate. In the financial year 2011, in light of good demand and better order book position and with improved operational efficiency, the Company is hopeful to generate good revenues.

By Order of the Board of Directors

Place : *Pune* **(Ashutosh Kulkarni)**

Date : *14th August, 2010* *Company Secretary*

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Dear Member(s),

Your Directors are pleased to present their 14th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended March 31, 2010.

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)

	Standalone		Consolidated	
PARTICULARS	**31.03.2010**	31.03.2009	**31.03.2010**	31.03.2009
Income	**3021.25**	2631.94	**4747.46**	3831.57
EBIDTA	**379.79**	218.31	**545.01**	290.56
Less Interest & Financing Costs	**101.92**	71.68	**110.08**	80.25
Less Depreciation	**104.75**	84.19	**168.28**	121.38
Profit Before Tax	**173.13**	62.44	**266.66**	88.93
Provision for Tax	**38.00**	16.73	**49.69**	22.69
Profit After Tax but before deducting minority interest (PAT)	**135.13**	45.71	**216.97**	66.24
Less : Minority Interest	**—**	—-	**11.00**	19.40
Profit Attributable to group	**—**	—-	**205.97**	46.84
Earnings per Share (Basic) (in Rs.)	**11.07**	3.75	**16.88**	3.84
Earnings per Share (Weighted Average) (in Rs.)	**11.07**	3.90	**16.88**	3.99

DIVIDEND:

The Board of Directors has recommended a dividend of Rs. 2.00 per equity share (20%) amounting to Rs. 28.56 Millions including Dividend Distribution tax, (Previous Year Re. 1.00 per equity share (10%) amounting to Rs. 14.28 Millions including Dividend Distribution tax.)

PERFORMANCE REVIEW (CONSOLIDATED BASIS):

- Sales increased by 23.91 % from Rs. 3831 Millions to Rs. 4748 Millions.
- Net sales (net of excise duty) increased by 28.70 % from Rs. 3504 Millions to Rs. 4510 Millions.
- Operating EBIDTA (Earnings Before Interest, Taxes, Depreciation and Amortization) increased by 87.93% from Rs. 290 Millions to Rs. 545 Millions.
- Profit before tax (PBT) increased by 202.27% from Rs. 88 Millions to Rs 266 Millions.
- Profit after tax (PAT) increased by 345.65% from Rs. 46 Millions to Rs. 205 Millions.

RECENT RECOGNITIONS & AWARDS:

1. Your Company received Best performance award for ***"Excellence in Quality***" in sheet metal business at National Vendor meet of Tata Motors Limited (TML) held on 3rd February, 2010, at Mumbai.
2. Autoline Industries, Inc. USA (a wholly owned subsidiary of the Company) received the *"**Prestigious 2009 Supplier of the Year Award**"* from General Motors, at a Ceremony held at GM HQ at GM Dome, Warren, Michigan, USA on 11th March, 2010, in recognition of its performance in brake and clutch pedal product line.
3. In May, 2010, Tata Motors Limited ranked Chakan plant -1 (located at S. Nos. 291-295, Nanekarwadi, Chakan, Tal- Khed, Dist- Pune- 410 501) as "***Number one in sheet Metal family"*** and "**4th *among all Passenger Car Business Unit suppliers.*"**

OVERVIEW OF PROGRESS AT NEW PLANTS:

A). Chakan Unit II – Nanekarwadi, Chakan, India:

New projects from Tata Motors Ltd (TML), Mahindra & Mahindra (M&M), Cummins Power Generation, USA were executed at this plant. The capacity utilisation has been steadily improving after the downturn in 2008- 09 and is expected to achieve full utilisation in 2010-11.

TOOL ROOM:

Autoline has covered major milestones in the year 2009 – 2010 in tool design and manufacturing. The total tooling orders which were executed during this period were valued at Rs. 87.5 Million.

Apart from TML, who has always been the major customer, your Company has done tooling for Bajaj Auto Limited, Cummins USA, American Axle Manufacturing, FIAT India Pvt. Ltd. and presently working on new projects from Diamler India, Volkswagen, Ashok Leyland – Nissan, and General Motors, India.

As the tool design and manufacturing process is gradually improving towards manufacturing of quality tools, the orders for the larger tools appropriate for the infrastructure available with us are being received. Discussion with few customers for finalizing the order are in final stages.

B) Chakan Unit III– Mahalunge – Chakan, India :

This unit started its operations in May, 2008 and has manufacturing facilities for Silencers, Cross Members, Exhaust Systems from Engine to Tailpipe for e.g. - Front Tube with Bellows, Middle Tube, Muffler, Pre-Silencer, Post- Silencer, Main Silencer, Tail Pipe etc. for Heavy Commercial Vehicles (HCVs), Light Commercial Vehicles (LCVs) as well as Passenger Cars and mainly supplies to Tata Motors Limited. This unit also manufactures Radiator tubes, CAC inlet & outlet tubes etc. which are supplied to Asian Motors Works (AMW). Manufactures from here Structural items as well as Press Components for TATA MARCOPOLO Buses for their Dharwad (Karnataka) Plant.

C) Plant at Plot No. 8 Rudrapur –Uttarakhand, India:

This unit started its operations in April, 2009. With the installation of 1250 Ton Press line, your Company has manufacturing facilities for Auto Components, sub- Assemblies like load body and frames for the 1 ton LCV, Micro bus, Penguin, Venture, Magic and ACE. Additional presses of 700 MT and 880 MT presses are under installation stage. In order to have effective operations of press shop, scrap conveyor is being installed and production of floor and door inner parts are now done in line mode operation. This plant has tremendous growth opportunities in future as Tata Motors Limited is planning for new vehicles like- VENTURE,IRIS, ZIP, to be launched in the coming years from their Uttarakhand plant.

D) Plant at Plot No. 6 Rudrapur –Uttarakhand, India:

Your Company is under process of setting up additional manufacturing facility at Plot No. 6, Sector 11, IIE, Rudrapur, SIDCUL, Uttarakhand which is expected to be completed by October, 2010. The Company proposes additional assembly lines here, weld line for Ace Frame, weld line for Assembly Door Inner – Ace, Weld facility for Load Body Cross Member, Weld facility for Assembly Control Mounting bracket, Small presses for child parts etc. for upcoming models of Tata Motors Limited, and is expected to take care of the large volume growth at Uttarakhand.

E) Autoline Industrial Parks Limited: (AIPL):

The domestic demand for residential and commercial activity in Chakan has picked up given the fact that Volkswagen with 500 acres, Mercedes with 150 acres, Mahindra & Mahindra with 750 acres, General Motors with 300 acres, Bajaj Auto Ltd with 400 acres, Hyundai with 100 acres and other multinational companies have started their units. All these companies are located within two km radius from about 100 acres of land tied up & owned by AIPL (subsidiary of “Autoline”). The site is situated in the centre of all industrial activity in Chakan’s Auto Hub, opposite Bajaj Auto Limited on the proposed 8 lane Talegaon Ahmednagar Road. AIPL has applied for getting residential permission for township development as this will give far greater value in terms of returns. It is proposed Simultaneously with completion of formalities, your Company is in the process of identifying a reputed Developer for Joint development project. Your Company’s contribution will be the land with no further investment and expected returns would be approx. Rs. 750 Million per year over 5 years period or about Rs. 400 Million per year over 8 to 9 years depending on the pace of development.

F) 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.

The activities are picking up rapidly this year due to the renewed growth in the Automobile sector. The business relating to selling of engineering Software products of Parametric Technology Corporation (PTC) has also gathered momentum during the year.

G) Autoline Industries, Inc, Butler, Indiana, USA:.

Your Company through Autoline Industries Inc. USA, manufactures and supplies Accelerator, Brake, Clutch Pedal Assemblies, Parking Brake, Door Hinges, Scissor and bottle jacks, Stamped Metal Assemblies, Gear Shifters, Brackets and Stamped Assemblies etc. to various OEMs like – General Motors, Honda, Chrysler, Ford, Nissan, International Truck, US Military, Cummins Power Generation etc. This manufacturing facility achieved Ford Q1 certification and successfully passed TS 16969 and ISO 140001 rectification audits. Your Company, through Autoline Industries Inc. USA, established and started operations in Korea during the year to support Global small Car program of OEM.

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

SZ Design Srl and Zagato Srl, Milan, Italy has issued 49% of equity shares to Koderat Investments Ltd, Cyprus (Wholly Owned Subsidiary of the Company). SZ Design Srl. is currently undergoing business & financial restructuring of its operations under Italian Laws as the net worth of the SZ Design Srl has been eroded due to various financial write offs. Further one of the creditors had filed the case of Bankruptcy against the company in Italy, which has since been settled.

Mr. Andrea Zagato, the original promoter of SZ Design Srl, Italy, has been appointed as liquidator, as per Italian Law on 19th October, 2009 to enable him to continue as a going concern and take steps to revive SZ Design Srl. In view of the above developments, the realisability of the above investment by Koderat Investments Ltd in SZ Design, Srl Italy is highly uncertain. The diminishing in value of investment is not considered in the current financial year, as efforts are being made by Mr. Andrea Zagato to revive SZ Design Srl.

I) EXPORTS:

During the period under review, your Company exported to Cummins Power Generation, USA, Medium & Large Stamped Assemblies like - Full Skid Assembly, Adaptor Carburetor, Bracket Sensor, Air Baffle Assembly, Box Control, Bracket Chassis Filter, Side Control Box Assembly, Door Control etc. Total export amounted to Rs. 22.90 Millions. The business in hand is worth Rs. 200 Millions approximately. Your Company is expecting further orders from Cummins for its Power Generation and other plants in USA and around the world.

FORFEITURE OF WARRANT MONEY:

The Company issued 10,80,000 warrants convertible into equity shares at an issue price of Rs. 250/- per warrant on 17th June, 2008. As per the terms of the issue & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, warrant holders were supposed to exercise the option of conversion within 18 months from the date of allotment i.e. on or before 16th December, 2009. The Share Allotment Committee of the Company at its meeting held on 17th December, 2009 noted that none of the warrant holder had exercised the said option to convert. Accordingly, such entitlement has lapsed and Rs. 25/- per Convertible Warrant (CWs) [being 10% of issue price] total amounting to Rs. 2.70 Crores paid on the above CWs have been forfeited by the Company.

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

With respect to proposed 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, the Board of Directors at their meeting held on 30th January, 2010 has reviewed the scheme and revised the appointed date of amalgamation from 1st April, 2009 to 1st April, 2010. The proposed amalgamation is subject to sanction of Hon'ble High Court of Judicature at Bombay, the necessary approvals from Stock Exchange(s) where the shares of the Company are listed, approval of the shareholders & that of creditors of the Company. 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 13.50 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. The Board of Directors at its meeting held on 29th May, 2010 has approved the scheme of acceptance of Fixed Deposits from public.

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.

As per Section 212 of the Companies Act, 1956, your Company is required to attach the Directors' Report, Auditors' Report, Balance Sheet, Profit & Loss Account, Schedules to Accounts and notes to Accounts of Subsidiaries of your Company along with the Balance Sheet of your Company. Your Directors believe that the consolidated financial statements present a more comprehensive picture as compared to stand alone financial statements. Your Company, therefore, applied to the Ministry of Corporate Affairs, Government of India for an exemption from such attachment, as your Company presents the Audited Consolidated Financial Statements in the Annual Report.

For the Financial Year 2009-2010, the Company has obtained exemption under Section 212 (8) of he Companies Act, 1956 vide letter bearing No.47/419/2010 –CL-III dated 17th May, 2010 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, 2010 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 Inc, USA, Autoline Industries, Inc. USA and Koderat Investments Limited. Accordingly the Annual report does not contain full financial statements of these subsidiary companies.

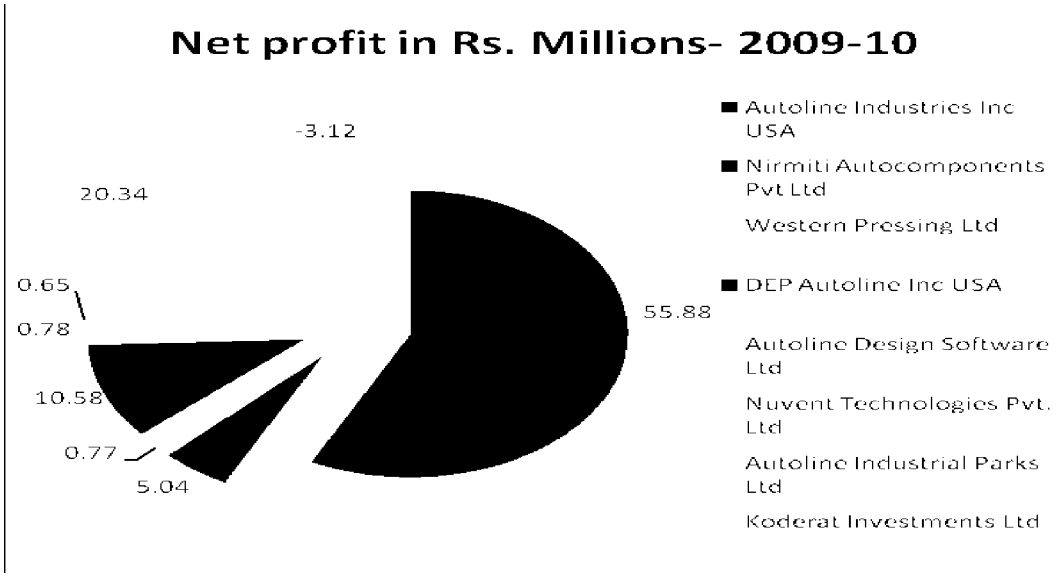
The Company will make available the annual accounts of the Subsidiary Companies and the related detailed information upon request by any member of the Company and its subsidiaries interested in obtaining the same at any point of time.

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. A statement showing financial highlights of the Subsidiary Companies is attached to the consolidated financial statements.

MEGA PROJECT STATUS:

Your Company has applied for "Mega Project status" for Chakan Unit 1, Chakan Unit II & III plants located at Chakan, Pune under the Government of Maharashtra Scheme and has complied with various conditions of the Scheme. The Company is awaiting for necessary approvals, to enable further action and steps for utilisation of the same.

PERFORMANCE OF SUBSIDIARY COMPANIES:



Domestic Companies:

i) Nirmiti Autocomponents Private Limited :

During the year under review, the gross turnover was Rs. 770.90 Millions (Previous Year Rs. 645.29 Millions). Profit before tax was Rs. 6.88 Millions (Previous Year Rs. 0.97 Millions). Net profit was Rs. 5.04 Millions (previous year Rs. 0.47 Millions). The Company is in the process of amalgamation with Autoline Industries Limited.

ii) Autoline Design Software Limited :

The gross income including exports achieved was Rs. 48.89 Millions (Previous Year Rs. 46.99 Millions). Profit before tax decreased to Rs. 1.14 Millions (Previous Year Rs. 1.38 Millions). Profit after tax was Rs. 0.78 Millions (Previous Year Rs. 1.01 Millions).

iii) Autoline Industrial Parks Limited :

The Company is in the process of acquisition of balance land and hence the business operations have not yet started. During the year, the Company had earned Dividend and interest income amounting to Rs. 20.34 Millions. (Previous Year Rs. 17.86 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 Autoline Industries Limited. During year, the Company has earned net profit of Rs.0.77 Millions (Previous Year Rs. 0.29 Millions). The Company is in the process of amalgamation with Autoline Industries Limited.

v) **Nuvent Technologies Private Limited :**

The Company is the off shore Development Centre of DEP Autoline Inc. USA. During the period under review, the sales amounted to Rs. 27.68 Millions (Previous year Rs. 34.48 Millions) and net profit was at Rs. 0.65 Millions. (Previous year Rs. 2.33 Millions).

Foreign Companies:

i) DEP Autoline Inc, USA :

During the period under review, the turnover was USD 25,97,477 amounting to Rs. 123.23 Millions (Previous year USD 40,09,688 amounting to Rs. 184.73 Millions) and profit after tax was USD 2,02,320 amounting to Rs. 10.58 Millions. (Previous year USD 5,61,471 amounting to Rs. 27.18 Millions).

Your Company has revised the terms and conditions of the Stock Purchase Agreement dated May 09, 2007 entered with the CEO and the promoters of DEP Autoline INC, USA (DEP) by entering into a Supplemental Agreement, by which promoters of DEP will increase their stake from 49% to 60%. Consequently the stake of Autoline Industries Limited will be reduced from 51% to 40%. The effective date will be 01st April, 2011. This is expected to vitalise the core promoters to greater performance and achievements. In case however, the performance does not initially improve and dividends are not paid beginning 1st January, 2012, the original arrangement of your Company owning 51% stake in DEP Autoline Inc, USA will revert back.

ii) Autoline Industries, INC. USA :

During the period under review, the turnover increased to USD 2,05,76,225 amounting to Rs. 979.17 Millions (Previous year turnover was USD 1,00,72,616 amounting to Rs. 478.17 Millions). During the period, the Company achieved net profit of USD 11,52,624 amounting to Rs. 55.88 Millions (previous year loss was USD 5,72,361 amounting to Rs. 20.61 Millions).

iii) Koderat Investments Limited:

Koderat Investments Limited, Cyprus a wholly owned subsidiary of the Company, is acting as a Special Purpose Vehicle (SPV). During the period, the Company incurred Loss of Euros 51,512 amounting to Rs. 3.12 Millions. (previous year loss was 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 an **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, CA. Vijay K. Thanawala, Prof. Abraham Koshy and Mr. Rakesh Jhunjhunwala, retire by rotation and are eligible for re-appointment at the ensuing Annual General meeting.

Prof. Chandramouli Padmanabhan, had resigned as a Director (Non Executive & Independent) with effect from 29th October, 2009.

Mr. Gopal G. Patwardhan had resigned as Chairman (Non-Executive) and as a Director with effect from 20th March, 2010.

Mr. Prakash B. Nimbalkar was appointed as the Chairman (Non-Executive) to preside over the Board and Shareholders meetings, with effect from 20th March, 2010. Mr. Prakash B. Nimbalkar, has been a non-executive and independent director of the Company since 15th June, 2006.

Mr. J. Stanton Dodson had resigned as a Director (Non-Executive) with effect from 20th March, 2010.

THE 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, 2010 and of the Profit 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:

Attention is invited to the paragraph 3 (d) mentioned in the Auditors' Report wherein they have observed as follows:

i) Note No. 3(1) in Schedule "24" regarding non provision for the expired export obligation.

ii) Note No.10 in Schedule "24" regarding non provision for diminishing in value of investment in subsidiary Koderat Investments Ltd. (Cyprus). The note is self explanatory. In the given circumstances we are unable to give our opinion.

Directors comments on Auditors' Observations-

3) d) i) With regard to Auditors' observation in paragraph 3 (d) mentioned in the Auditors' Report, regarding non provision for the expired export obligation, we state that the export obligation from 1st April, 2007 to 23rd May, 2010 has not been completed. However the Company has applied for further extension for 2 years to fulfill the export obligation. As the prospects of export is very encouraging, your Company is confident to complete the same in the next 2 years.

3) d) ii) With regard to Auditors' observation in paragraph 3 (d) regarding non provision for diminishing in value of investment mentioned in the Auditors' Report, the note/ explanation given in Note No. 10 - Notes to Accounts of Schedule 24 is self explanatory.

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 May, 2010*

(Prakash B. Nimbalkar)
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – A

Information under Section217(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, 2010.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

Your Company is putting continuous efforts towards optimum utilisation of energy resources which have resulted in cost saving for the Company.

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

i. Installation of Compressors having DSS function i.e. DELAYED SECOND STOP. This means drive motor runs only when needed. Because the Electronikon maintains the desired system pressure while minimizing the drive motor run time, energy consumption is kept at a minimum.

ii. Measures for availability of natural lighting - Use of Poly carbonate sheets for roofing in the factory shed. This made the day light availability for maximum number of hours and has reduced the consumption of bay lights.

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

iv. Mercury Vapour Lamp 400W alternate wiring 79 Nos. in press shops & weld shops.

v. Mercury Vapour Lamp 250W alternate wiring 20 Nos. in tool room.

vi. Put closed loop air line to utilize total compressed air resulted in Conserving air energy & effective use of compressor. By this compressed air losses reduced which results in cost saving in terms of electricity consumption & reduction in compressor maintenance cost by 5%.

vii. Sophisticated State - of Art Assembly Lines set up for Bhosari (Nirmiti) plant to improve Quality, productivity and to minimize operator fatigue.

viii. Shutting of boilers and also eliminating the waste water treatment plant by switching to friendlier paint process for Butler Plant.

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**	**67.13**	68.28
Total Amount	**Rs. in Lacs**	**366.11**	348.43
Rate per Unit	**Rs.**	**5.45**	5.10
(B) Own Generation Through Diesel Generator- Units	**KWH in Lacs**		
Unit per ltr. Of Diesel Oil	**Rs. in Lacs**		
Cost per Unit	**Rs.**		

(B) Consumption per unit of production

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

B. TECHNOLOGY ABSORPTION

Efforts made in Technology Absorption.

Your Company is in process of setting up new manufacturing facility at Plot 6, Tata Vendor park, SIDCUL, Pantnagar, Uttrakhand to support OEMs in their requirement and development of new assemblies etc. The Company has decided to go slow on 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

During the period, your Company has made following efforts at various plants including Uttrakhand plants:

Efforts taken at Uttrakhand plants:

i. Low cost automation conveyor developed in house is installed between two presses and presses are operated in line mode.

ii. Maintain optimised inventory and reduced the idle time of presses (with Min set up changes) Use of KBK (make/Type) rails for welding Gun hanging instead of conventional Mild Steel I shape Beams. This has resulted in easy movement of welding guns.

iii. Co2 Gas Bank: This is a centralized Co2 Gas distribution line supplying Co2 Gas to each and every individual Co2 welding machine. This has eliminated handling of Co2 cylinders by individual welders. All Cylinders are kept at a centralized area. This has also resulted in elimination of individual heaters of Co2 Cylinder. Thus reduction in spares as well as electricity consumption.

iv. Load Body - Fully automated line of pick and place overhead conveyor increased the productivity by more than 20% for Ace load body.

v. Introduction of optimised load body: Reduction in weight of load body for Ace by 20% resulting in cost savings and increased fuel efficiency for the vehicle due to lesser load.

vi. Added new shearing machines of capacity 8 MM thick x 3000 MM width and 100% shearing operation is carried out in house to feed the cut to length blanks.

vii. To avail the sunset clause/Industrial package benefits, the assemblies of upcoming projects of TML pilot lots and sample parts has been productionised.

viii. Introduction of Super Ace sub assemblies :

a) Engine – FIP Bkt, CRL, Lifting Hook, Oil Separator mtg. Bracket, Fuel Filter mtg. Bracket.

b) BIW – Door inner, Rear wall , Front wall , Wheel arch Inner , Rear cross member , Front Floor.

c) TCF – Sub frame, FCM, Guide plate, shackle, Front jacking bracket.

ix. Installation and proving of weld line for Venture for sub assemblies like Rear floor, A pillar reinforcement, Reinforcement Side Wall inner. Rear cross member etc.

x. Introduction of Axle banjo beam for Ace 0.75T.

xi. Introduction of Magic IRIS sub assemblies –Phase I - Centre Floor rear, Cross member rear seat rear, Panel rear cross wall outer and Impact Beam Front Bumper.

xii. Migration of Front FIP bracket for Ace 0.75T.

xiii. Introduction of Panel Door Inner LH/RH for Ace 0.75T.

xiv. Introduction of Long member Middle LH/RH for Ace 0.75T.

xv. Introduction of Ace FE (5 Speed) – CRL and FCM.

Efforts taken at other plants:

xvi. Consistency in quality, minimised Part Per Million (PPM) level & delivery performance improved as able to provide materials with single source even though TML requirement is at 600 Foot Control Modules (FCMs) per day.

xvii. Overtime cost for assembly reduced due to exegencies of material availability from suppliers /group companies.

xviii. Skilled manpower hiring who are capable in terms of Quality Management Systems (QMS), Manufacturing development & Supplier Quality Engineering (SQE).

xix. New department called Program Management (PM) formed for all new Project handling.

xx. Training provided to all employees for awareness of electrical energy savings when they are off the work place.

xxi. Low cost automation assembly set up introduced for X1 FCM, against conventional assembly setup.

xxii. Low cost automation assembly set up introduced for M 300 (General Motors) FCM, against conventional assembly setup.

xxiii. Implementation of world class manufacturing system - like Quality System Basics (QSB) (General Motors), Formal Q (Volkswagen)

xxiv. At Mahalunge plant, for structure, the Company earlier used formed readymade angles which was procured from outside. Now instead of formed angle procuring from outside, the Company made tooling and made angles by sheets in house. Sheets rate are cheaper than readymade angles and thus resulted in cost saving.

xxv. At Mahalunge plant, made CO2 gas line for welding & reduction in transportation cost.

xxvi. Increased Stopper pin height in draw die (Front Floor) to avoid less trim

xxvii. Provided Magnate in Pierce Die to avoid damage (mis-location)

xxviii. Fire wall cam pierce die made by new horn pierce die due to which brake down percentage decreased and complete rejection stopped.

xxix. On Boot lamp C.S. Mark on resulted in reduction of rejection cost.

xxx. To avoid C.D. Variation of component Assembly of Driver Seat, developed Assembly fixture, resulted in reduction of rejection cost.

xxxi. Old adjuster support hole was missing. Made a simple fixture and hole missing problem solved resulted in increased productivity.

xxxii. Rib grinding operation deleted. Rib blanking operation 46 dim changed to 44mm resulted in saving of One(rib grinding) operation.

Benefits derived as a result of above:

1. Less damages to components.
2. Increase in productivity.
3. Minimize operator/ workmen fatigue
4. Development of new products
5. Enhancement of product range
6. Improved quality and customer satisfaction
7. Reduction in cost of production

C. FOREIGN EXCHANGE EARNINGS & OUTGO :

(Rs.)

Particulars	2009-10	2008-09
Foreign Exchange Earnings	2,28,80,779	1,43,12,875
Foreign Exchange Outgo	5,75,46,747	23,96,84,886
Foreign Exchange Inflow	87,11,718	1,15,55,449

For and on behalf of the Board

Place : *Pune*
Date : *29th May, 2010*

(Prakash B. Nimbalkar)
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	44	36,00,000	25,20,000	B.Com.	19	16.12.96	N.A.	4.59%	Mr. Sudhir V. Mungase Wife's Brother
Mr. M. Radhakrishnan	Jt. Managing Director	56	30,00,000	21,00,000	B.Sc. (Stats) LLB, DBM, CAIIB	31	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	35	30,00,000	21,00,000	Undergraduate	14	16.12.96	N.A.	4.57%	Brother in Law of Mr. S.T. Akhade

For and on behalf of the Board

Place : *Pune*
Date : *29th May, 2010*

(Prakash B. Nimbalkar)
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 automobile industry was de-licensed in July 1991 with the announcement of the New Industrial Policy. With the gradual liberalisation of the automobile sector since 1991, the number of manufacturing facilities in India has grown progressively. The industry has been able to restructure itself, absorb newer technology, align itself to global development to achieve overall industrial growth in the country. The auto components industry has over 500 companies in the organized sector and about 10,000 firms in the unorganized sector. The automobile industry in India happens to be the ninth largest in the world. According to "India Auto Component Market Analysis", the growth in the industry has been one of the fastest in the world and the country has emerged as a true competitor of China, which is the most dominating auto component participant in the Asia-Pacific region. The study further reveals that due to increasing demand in the compact car and Commercial Vehicle segment, the auto component sales is likely to register around 14% CAGR between 2010-11 and 2013-14.

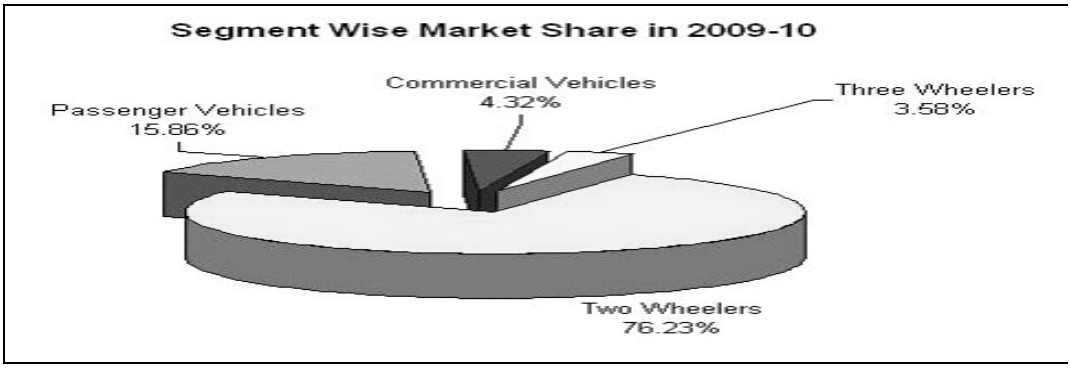
Auto companies which went through some tough time in last 2 years due to global recession, are bouncing back and all set to deliver strong volumes for current & coming fiscals. The $ 19.2 Billion Indian auto ancillary sector which grew about 4% year on year in 2009-10 is expected to grow by over 15% on the back of rising demand across segment. With automakers increasing prices, components suppliers are likely to hang on to their margins despite the rise in the input costs. While domestic demand is strong, overseas demands presents a mixed bag as there is encouraging demand from the US markets. Auto component companies are lining up Rs. 9,000 Crores in the current fiscal for setting up new capacities and upgrading the existing ones which would be 33% higher than that of last year.

During 2009-10, the Commercial Vehicle industry grew by 40.1% compared to the decline of 17.4% in 2008-09. Backed by strong growth, the M& HCV segment grew by 33.5% and the LCVs segment grew by 45.3% through out the year 2009-10. The Passenger Vehicle industry, which had shown a decline of 0.5% in the previous year, grew by 24.8% in 2009-10. During 2009-10, Small Car segment grew by 27.4% & SUV segment grew by 21.3%.

	Automobile Production Trends (India)						**(Number of Vehicles)**
Category	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
Passenger Vehicles	989,560	1,209,876	1,309,300	1,545,223	1,777,583	1,838,593	2,351,240
Commercial Vehicles	275,040	353,703	391,083	519,982	549,006	416,870	566,608
Three Wheelers	356,223	374,445	434,423	556,126	500,660	497,020	619,093
Two Wheelers	5,622,741	6,529,829	7,608,697	8,466,666	8,026,681	8,419,792	10,512,889
Grand Total	**7,243,564**	**8,467,853**	**9,743,503**	**11,087,997**	**10,853,930**	**11,172,275**	**14,049,830**

Source: Society of Indian Automobile Manufacturers (SIAM)

During the last couple of years, globally the automobile industry has suffered severe demand shock on account of the culmination of economic slowdown and credit crunch. The demand contraction during the last two calendar years has been 38% in the US, 18% in Europe and 13% in Japan. In contrast the Indian passenger vehicle market has suffered only stagnation in demand during 2008-09. This contrasting demand pattern in India (along with China) highlights the significance of the Indian market going forward for most of the global players.



Source: SIAM

While there has been some deferment of investments by global majors in the Indian market, constrained largely by the weak performance in their home markets, most of the players are planning significant capacity build-up for the Indian markets.

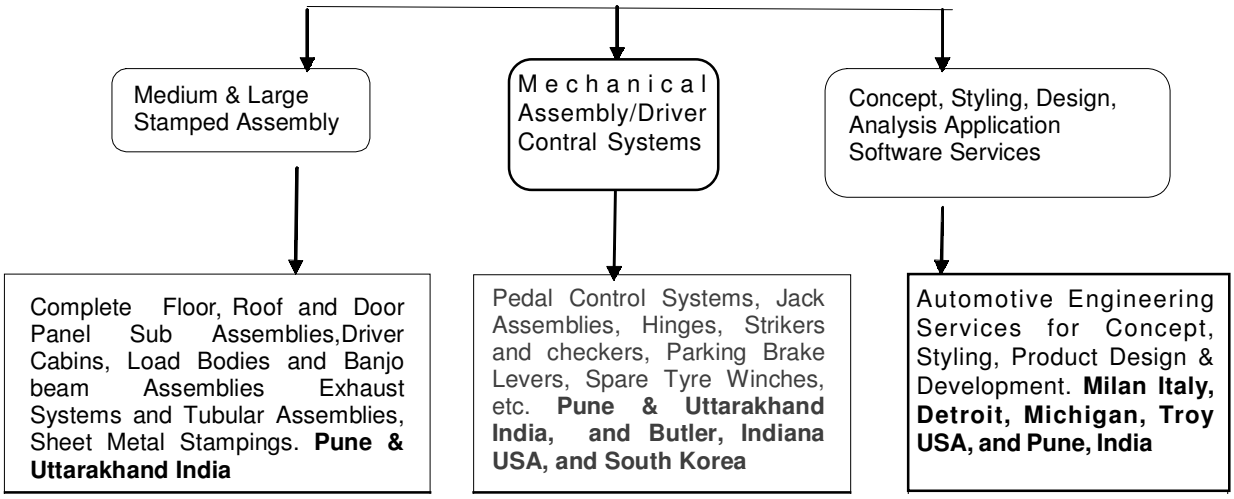
Domestic demand has also been supported by competitive pricing adopted by the OEMs. While manufacturing costs have increased sharply over the years on commodity price rise and tightening of emission/ safety norms, however adjusted for these, the real price increase has been muted. OEMs have largely passed on benefits of reduction in excise duties, economies of scale and value engineering to end customers, facilitating demand growth in demand. New model launches have also been a key factor in sustaining consumer interest.

The market shares of the different types of vehicles will clearly depict the demand pattern in this sector.

	Automobile Domestic Sales Trend (India)						**(Number of Vehicles)**
Category	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
Passenger Vehicles	902,096	1,061,572	1,143,076	1,379,979	1,549,882	1,552,703	1,949,776
Commercial Vehicles	260,114	318,430	351,041	467,765	490,494	384,194	531,395
Three Wheelers	284,078	307,862	359,920	403,910	364,781	349,727	440,368
Two Wheelers	5,364,249	6,209,765	7,052,391	7,872,334	7,249,278	7,437,619	9,371,231
Grand Total	**6,810,537**	**7,897,629**	**8,906,428**	**10,123,988**	**9,654,435**	**9,724,243**	**12,292,770**

Source: SIAM

Your Company is engaged in the Conceptualizing, Styling, Design – Engineering, Prototyping and Manufacturing of auto components especially in the areas of Sheet Metal & Small Mechanical Assemblies, for Passenger Cars, Sports Utility Vehicles (SUVs), Commercial Vehicles etc. through the following business segments:



Your Company operates through eleven manufacturing facilities (all of which are ISO/TS 19649:2002 certified) and four Design & Styling Centers in Pune, Chennai, USA, and Italy. Today, more than 400 products from Autoline fit into a range of SUVs, LCVs, HCVs and passenger cars and are supplied mostly as single source to Tata Motors and other OEMs. Your Company today recognizes itself as 0.5 Tier Supplier due to its Design – Engineering capability.

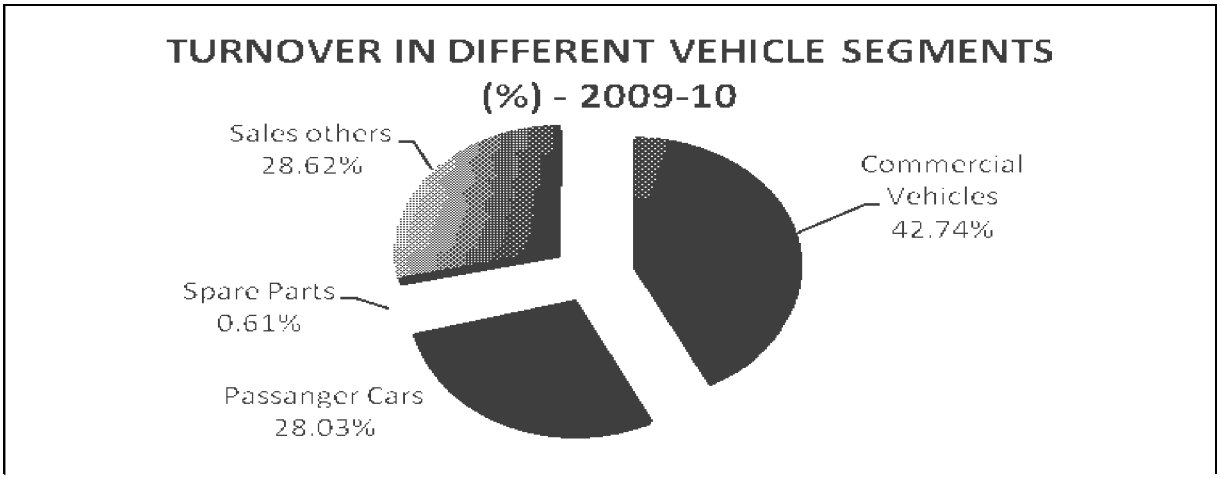
The Company has dedicated in house tool room facility at Chakan Unit 2. The total tooling orders executed during the 2009-10 amounted to Rs. 87.50 Millions. Apart from TML, who has always been the major customer, your Company has done tooling for Bajaj Auto Limited, Cummins USA, American Axle FIAT India Pvt. Ltd. and presently is working on new projects from Diamler India, Volkswagen, Ashok Leyland – Nissan, General Motors, India etc. As the tool design and manufacturing process is gradually improving towards manufacturing of quality tools, the Company approached OEMs for larger tooling orders.

Your Company, due to excellent quality in work, cost competitiveness, timely deliveries and State of the Art Tool Room with latest CAD / CAM facilities, has, in a short span, become prime vendor to all the reputed Auto Manufacturers in and around Pune. Recently Mahindra & Mahindra inaugurated its new auto manufacturing plant at Chakan with an investment of about Rs. 5,000 Crores. Chakan region has become auto hub, given the fact that major OEMs like Volkswagen with 500 acres, Mercedes with 150 acres, Mahindra & Mahindra with 750 acres,

General Motors with 300 acres, Bajaj Auto Ltd with 400 acres, Hyundai with 100 acres and other multinational companies either have or in the process of starting their units here.

Your Company has three manufacturing facilities located in Chakan region. Considering this fact and potential demands of OEMs in future, your Company through its subsidiary Autoline Industrial Parks Limited contracted for about 125 Acres of land in Chakan on Talegaon- Chakan Road (Opposite Bajaj Factory) out of which 75.10 Acres is already acquired and the process of acquiring remaining land is in progress. The Company proposes to develop a township project considering the demand & higher returns from such a project.

The Composition of the total turnover of your Company in different segments during 2009-10 is as under:



Thus, the major chunk of volume is in the Commercial Vehicles and Passenger Car segments which are growing at an astounding rate of 40% and 24% respectively. This in itself highlights the opportunities to be exploited in these rapidly expanding segments.

2) OPPORTUNITIES AND THREATS:

A) OPPORTUNITIES:

As per Automotive Mission Plan 2006-2016, of Ministry of Heavy Industries & Public Enterprises, Government of India, the "vision is to emerge as the destination of choice in the world for design and manufacture of automobiles and auto components with output reaching a level of US$ 145 Billion accounting for more than 10% of the GDP and providing additional employment to 25 Million people by 2016."

It is estimated that India's vehicle sales may reach 3 million units annually by 2015, helped by new models such as Tata Nano, the world's cheapest car, and rising incomes of 50 million strong middle class. Since compact cars constitute nearly 70% of the total car sales in the country, global auto biggies are making a beeline to grab a bigger market share in this segment. US auto makers General Motors has already expanded its portfolio of small cars with Chevrolet Beat, Ford India's Figo and Volkswagen Polo was launched in India during this year. Even Toyota Kirloskar Motors, Honda Siel Cars India and Fiat India are developing India specific small cars that will hit roads in 2012. Your Company through its wholly owned subsidiary Nirmiti Autocomponents Pvt. Ltd. supplies Foot Control Modules to Chevrolet's Beat and will be supplying globally as a single source.

Assemblies Component business segment to witness growth on the back of a spree of new model launches – A slew of new model launches in the 4 wheeler & LCV space have been announced by most of the OEMs in Financial Year 2011 in India. This will lead to an increase in demand for intermediate components mainly sheet metal frames, door frames etc. Many global players are also setting up base in India and are moving towards indigenization of components to reduce cost. The new product launches will initially entail lower volumes and hence lead to outsourcing of fabrication work. Your Company would benefit from this as 70-75% of its domestic revenues are derived from sheet metal fabrication.

Many foreign OEMs are setting up additional capacities / increasing their existing capacities in India. This would be beneficial to your Company in the following ways;

1) Higher content of indigenisation of auto components leading the growth.

2) New and frequent model launches to have lower volumes and hence OEMs to continue to outsource sheet metal fabrication business, which proves to be economical.

During Financial year 2009, Autoline's USA based manufacturing subsidiary, suffered slowdown on account of the economic downturn. During financial year 2010, the Company is doing well as cash for clunker in the first half of Financial Year 2011 in the US lead to improved utilization of its major clients General Motors & Ford. The payment guarantees to vendors like your Company by the US government also assured revenue flow. Global product offerings are more sophisticated and enjoy higher margins. Hence we expect profitability to improve from overseas operations.

Worldwide market for design services is pegged at USD 11 billion (INR 44,000 Crs.) and presently India's share is a merely one percent. Industry trends suggest that design and engineering capabilities are gaining traction as energy efficiency and cost reduction is gaining focus in the automotive industry. By 2020, India is expected to garner ¼ of the USD 40 Bn global Engineering Services Outsourcing industry catering to the industrial, automotive and aerospace industries as per a joint study by Nasscom and Booz & Co. Almost all major Auto and auto component companies in India are using 3D software engineering design tools to create designs.

The following are a few reasons for India's potential to emerge as a design hub -

- India offers more than 20% cost reduction to any client and hence, it is economical for global OEMs to outsource from India.
- A typical CAD project in the USA will cost about USD 60 per man hour as against about USD 25 per man hour in India.
- India is known world over for its expertise in I.T., and has a long history in manufacturing with strong domestic market.
- Outsourcing of engineering design services is a Big Opportunity for India.
- Declining sales per vehicle model, short product life cycle – preventing economies of scale.
- Focusing on common platforms and interchangeable modules – leading to faster & lower cost.
- Design with a common underbody platform adapting body, trim and ride (shape & model design) to particular market conditions.
- Passing the responsibility of developing, manufacturing and assembling important sections of the Car on to their Vendors.

Autoline Design Software Limited, a wholly owned subsidiary of your Company is a multifaceted, end-to-end Engineering Solutions Company that offers business solutions for manufacturing organizations worldwide. It is 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 efficiency and is also in the business of selling of engineering Software products of Parametric Technology Corporation (PTC), USA.

Your Company through its subsidiary DEP Autoline Inc USA is focused on developing and providing high-end full vehicle engineering solutions through a suite of proprietary software tools kits and products.

Silent features of the software -

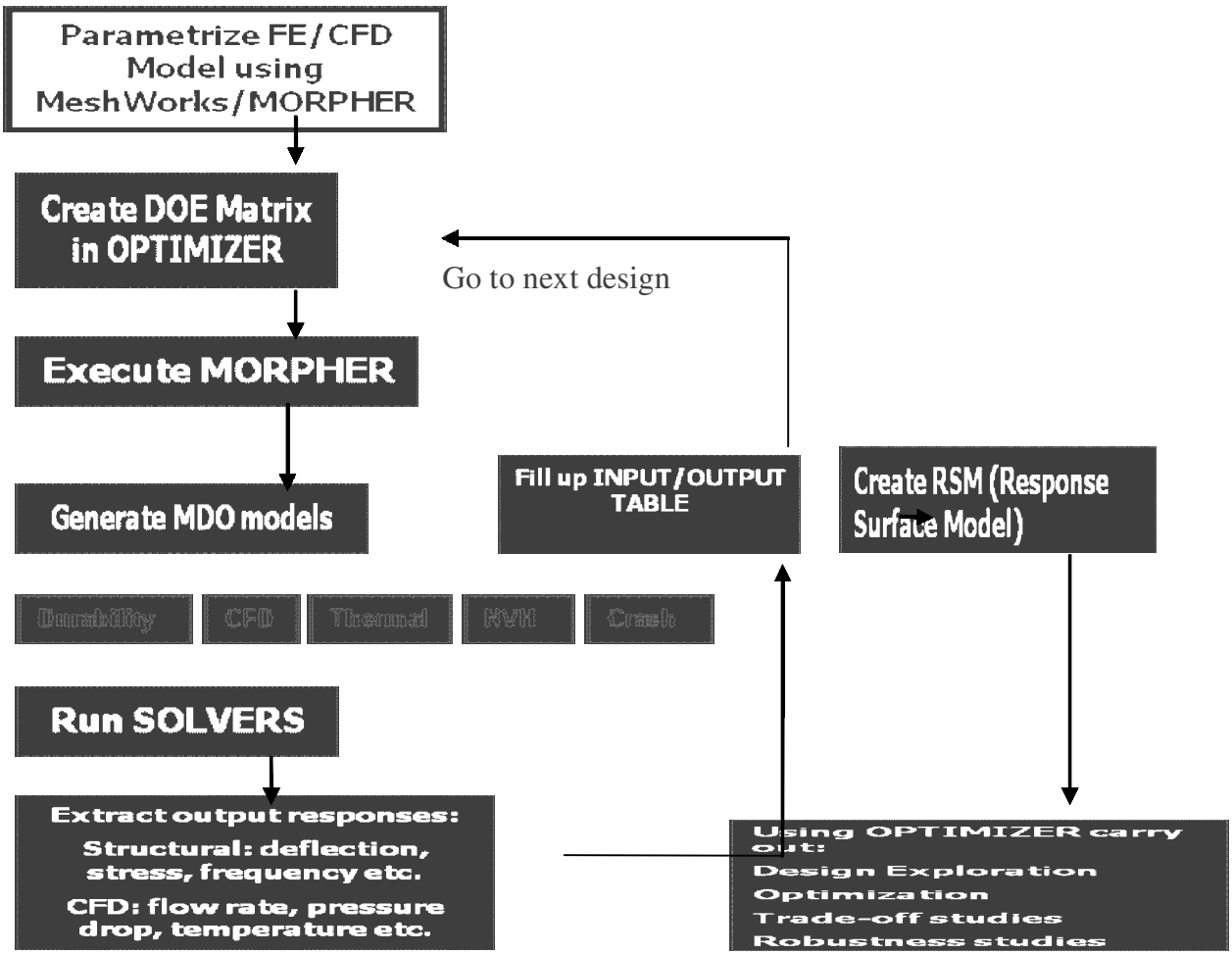
- Solutions for Styling, Aesthetics & Industrial Design
- Rapid Product Engineering with the Morpher, Integrated Styling & Engineering
- Design Optimization to get "balanced design
- Crashworthiness ,Occupant Safety & Durability
- NVH Full vehicle system NVH, Power train mounting, Driveline dynamics (NVH- Noise, Vibration and Hardness)
- Vehicle Dynamics & Handling
- Cad morphing, tool design

The application of the above by DEP Autoline Inc USA, of virtual reality technology in product design, engineering, and manufacturing has revolutionized the work of almost all OEMs in USA, Korea and China. Marketing efforts are on to increase the visibility & usage among OEMs in India and Europe.

Using the power of collaborative visualization, DEP Autoline Inc USA, Company now facilitates collaborative decision making and multi-disciplinary communications that enable companies to identify and resolve manufacturing design problems while in a virtual state with significantly reduced developmental time and money for all their OEM customers, in the Automobile Industries around the world.

DEP Autoline Inc USA introduced a path breaking software "MESHWORKS MORPHER" that enables the user to rapidly change an existing FE / CFD Mesh into a new target shape without having to redraw it in the CAD system aimed at reducing the overall product development cycle by 90% and bring products faster to market.

PARAMETRIZATION & AUTOMATION PROCESS USED BY DEP AUTOLINE INC



TYPES OF DESIGN PARAMETERS

MULTI-DISCIPLINARY PARAMETRIC CAE MODELS

SOME WEIGHT OPTIMISATION /ENGINEERING INNOVATION PROGRAMS DONE BY DEP AUTOLINE INC USA

- **Weight reduction on current micro-truck**
  - **20Kg**. was reduced from a 100Kg. pick-up box in a very popular Indian micro-pick-up truck. The lighter weight pick-up box has better features and performance than the original features. Design executed for a large Indian OEM who is the leader in commercial vehicles in India.
- **China small car program**
  - **35Kg**. was successfully reduced from the BIW while meeting Crash, NVH, Aerodrag, Vehicle Dynamics and Powertrain mounting targets. Executed for Chinese OEM whose development center is in Korea.
- **New architecture for Electric, Hybrid-electric and Conventional powertrain program**
  - **200Kg**. was reduced from the vehicle. 85 Kg from BIW while providing a common platform for three different powertrain configurations. Executed for a large US based OEM. Optimized to meet fuel economy targets while balancing the design for Crash & NVH.
- **Weight reduction on current large volume Cross-over platform**
  - Currently in progress. 100 different design variants were evaluated with rapid parametric CAE modeling methods to meet targets set for 10 Crash load cases and 6 NVH load cases. Optimization is expected to reduce about 25 to 35Kg in BIW. Executed for a large US based OEM.

Considering our design capabilities & confidence envisaged, Tata Motors Ltd has now given fourteen new projects.

The export segment has been growing rapidly, especially during the last couple of years, driven by Maruti Suzuki India Limited (MSIL) and Hyundai Motors India Limited (HMIL). India's strong domestic base in the small car segment provides it the ideal platform for capitalising on the small car market in other geographies apart from India. Following Japan, South Korea and Thailand, India emerged as the fourth largest exporter of automobiles in 2009. Several Indian automobile manufacturers have spread their operations globally as well, asking for regularly more investments in the Indian automobile sector by the MNCs. The export growth during the current financial year has also been supported by the older vehicle scrapping programme in the European market.

	Automobile Export Trend						(Number of Vehicles)
Category	**2003-04**	**2004-05**	**2005-06**	**2006-07**	**2007-08**	**2008-09**	**2009-10**
Passenger Vehicles	129,291	166,402	175,572	198,452	218,401	335,729	446,146
Commercial Vehicles	17,432	29,940	40,600	49,537	58,994	42,625	45,007
Three Wheelers	68,144	66,795	76,881	143,896	141,225	148,066	173,282
Two Wheelers	265,052	366,407	513,169	619,644	819,713	1,004,174	1,140,184
Grand Total	479,919	629,544	806,222	1,011,529	1,238,333	1,530,594	1,804,619

Source: SIAM

During the year under review, your Company exported to Cummins Power Generation, USA, Medium & Large Stamped Assemblies like - Full Skid Assembly, Adaptor Carburetor, Bracket Sensor, Air Baffle Assembly, Box Control, Bracket Chassis Filter, Side Control Box Assembly, Door Control etc. total export aggregating to Rs. 22.90 Millions. 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.

Your Company has also started operations in Korea through its wholly owned subsidiary Autoline Industries Inc USA

Tata Motors Limited at IIE, TML Vendors Park, Uttrakhand is working on four new models viz. SUPER ACE, VENTURE, IRIS and ZIP with an expected high outputs of vehicles per day. Your Company has its presence and set up manufacturing facilities at Plot No. 5 & 8 TML Vendors Park, Uttrakand to supply auto components, sub-assemblies like Load body etc. Now the Company is in process of setting up its 3rd manufacturing facility at Plot No. 6, IIE, TML Vendor Park, Uttrakhand, in view of the proposed increase in production levels as above.

B) THREATS:

In the competitive environment, your Company faces many challenges. The challenge before the industry is to face fluctuations in prices of raw material especially steel, cost reduction plans of OEMs, strict adherence to quality standards as specified by OEMs, high financial servicing & operating costs, increasing costs due to stringent safety regulations etc. This could have impact on the profitability of your Company.

3. SEGMENT–WISE PERFORMANCE:

Your 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 and in Design Engineering Services.. All other activities of the company revolve around the main business. The sales are primarily to Domestic Automobile Component Segment. However the Company also has share in export segment.

4. OUTLOOK:

With the correction of global recessionary trends in 2009-10, auto sector is expected to grow at much faster rate. A robust domestic economy, rising disposable income and aspiration levels provide the ideal backdrop to a sustained long term demand growth for the sector. The Indian domestic market with annual demand in excess of 1.5 million vehicles has reached the critical mass necessary to attract investments from global majors.

With most major markets facing excess capacity and demand saturation, the Indian market is likely to remain a key destination for global majors over the medium term. This however, is likely to lead to some overcapacity in the domestic market over the medium term, leading to increased competitive pressures. Apart from pricing pressure that is likely to increase with competition, the rising quality expectations and tightening regulatory norms on emission and safety are likely to push up cost pressures on OEMs. During this period, as new players enter the market and players with hitherto weak presence focusing on strengthening their position, the market is likely to get more fragmented.

Key challenges facing new entrants would be establishing a strong service/ distribution network, which has become increasingly prohibitive due to rising real estate costs in many markets. Going forward sharing and co-

operation on distribution network and service facilities could play a significant role in rationalising cost structures. In terms of product launch, while most global majors are likely to choose from their existing portfolio for launch in India, key to success would be the ability to incorporate changes necessary to meet Indian preferences and market conditions. Moreover, certain degree of localisation is imperative to be cost competitive. All these factors also imply significant long term investments that necessitate attaining a minimum volume to achieve break-even and profitability.

Increased competition leading to fragmentation of the market is likely to take away some of the benefits of scale arising from growing domestic demand. This apart, reduced shelf life of models and increased variants in each segment, while supporting consumer demand are likely to be a significant drag on OEM profitability. The OEMs will need to balance the expectations for new models with the challenge of extending platform life cycle to stay profitable. The OEMs also need to work on cost rationalisations through increased sharing of components across platforms and variants, sharing of production facilities (to reduce idle capacity) and focus on low cost sourcing of components to stay profitable.

Your Company has augmented it's position across the value chain right from designing to product development and mass manufacturing. While continuously focusing on value chain your Company, besides current business, is expecting new domestic / export business since 2010 -11 onwards from major OEMs.

During the year under review, Autoline Industries Inc. USA received a very prestigious award from General Motors. It joins an elite list of 76 suppliers that won the General Motors Supplier of the Year Award for 2009. Additionally, Autoline Industries USA Inc has been successful in securing $ 52 Million USD worth of multi year contracts with several global automakers.

With the sharp potential growth envisaged in the auto sector globally, major OEMs and auto ancillary companies are set to revive pending investments and planning fresh capital Expenditure. The concerns that are holding up are rising raw material prices and possible hike in interest rates. The Company will focus on its vision and high end design, engineering and development, new products and technology innovations, tapping new business, developing new customers etc.

5. RISKS AND CONCERNS:

Your Company uses basic raw materials mainly – steel (HR and CR) in manufacturing its products. Prices of steel are subject to volatility for various reasons. This could have negative impact on profitability of the company. The Company is making continuous efforts to manage and minimize this risk. Foreign exchange exposure in global subsidiaries is another risk. 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. 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 has 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 policies, 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 Microsoft Dynamics AX 2009, Enterprise Wide Solution, Enterprise Resource Planning (ERP) at all its plants which will cover all its businesses, planning and accounting processes. ERP will be operational & functional with effect from 01st October, 2010 in all Plants of the company. With the help of the ERP, your Company will be in a better position to increase the efficiency and cost effectiveness of overall operational controls.

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

7. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE:

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

PARTICULARS	2009-10	2008-09
Income from operations (Gross)	**4747.47**	3831.57
Other income	**9.06**	28.00
Profit Before Interest and Depreciation	**545.01**	290.56
Interest expenditure (Net of income)	**110.08**	80.25
Depreciation	**168.28**	121.38
Profit before tax	**266.66**	88.93
Taxation : Current	**35.16**	13.85
Deferred	**14.53**	8.84
Profit after tax but before deducting minority interest	**216.97**	66.24
Less: minority interest	**11.00**	19.40
Profit Attributable to the group	**205.97**	46.84
Earnings per share (in Rs.)	**16.88**	3.84
Weighted Earnings per share (in Rs.)	**16.88**	3.99

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

8. CAPITAL EXPENDITURE:

Your Company invested Rs. 567.32 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 2010-2011.

9. HUMAN RESOURCES/ INDUSTRIAL RELATIONS:

Your Company had a total strength of 2,113 employees as on 31st March, 2010. In order to protect health of employees and to ensure healthy working environment, your Company in January, 2010 has renewed the Employees Group Medi-claim and Personal Accident policy from "HDFC General Insurance Company Limited".

The Company launched quarterly News letter named 'NINAD' from 1st Quarter January to March, 2010 which aims to provide platform for the management, the employees, and their families to communicate and share their views freely & effectively.

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 including Management Discussion and Analysis 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 statements, 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, 2010, 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, 2010, 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 May, 2010*

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 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 Exchanges is set out as under:

B. Composition of the Board of Directors:

The present strength of your Company's Board is **Nine** Directors, comprising of Non-Executive Chairman, Mr. Prakash B. Nimbalkar*, **three** Executive Directors viz. Mr. Shivaji T. Akhade, Managing Director & CEO, Mr. M. Radhakrishnan, Jt. Managing Director and Mr. Sudhir Mungase, Wholetime Director and **Four** Non-Executive Independent Directors viz. Mr. Ajit B. Karnik, CA. Vijay K. Thanawala, Prof. Abraham Koshy, Cmde. N. Ravindranathan IN (Retd), and **one** Non Executive Director viz. Mr. Rakesh Jhunjhunwala.

* Mr. Prakash B. Nimbalkar was appointed as Non–Executive Chairman with effect from 20th March, 2010.

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 2009 - 2010, **Eight** Board meetings were held on 25th May, 2009, 10th June, 2009, 17th June, 2009, 29th July, 2009, 28th October, 2009, 30th January, 2010, 3rd March, 2010, and 20th March, 2010.

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 all 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 2009-2010 and at the last Annual General Meeting (AGM), the number of other Directorships and Committee Memberships/Chairmanships of Directors as on 31st March, 2010, 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 held**	No. of committee Chairmanship held**
Mr. Gopal G. Patwardhan***	06	Yes	—	—	—
Mr. Prakash B. Nimbalkar****	07	Yes	06	04	02
CA Vijay K. Thanawala	06	No	03	01	01
Prof. Abraham Koshy	02	No	03	—	—
Mr. Ajit B. Karnik	08	No	02	02	—
Mr. J. Stanton Dodson *****	04	No	—	—	—
Cmde.N. Ravindranathan IN. (Retd.)	06	No	01	—	—
Mr. Shivaji T. Akhade	07	Yes	08	—	—
Mr. M. Radhakrishnan	08	Yes	09	02	—
Mr. Sudhir Mungase	08	Yes	08	—	—
Mr.Rakesh Jhunjhunwala	—	No	13	01	—
Prof. Chandramouli Padmanabhan******	—	No	—	—	—

* 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.

*** Mr. Gopal G. Patwardhan resigned as Non–Executive Chairman and Director w.e.f. 20th March, 2010.

**** Mr. Prakash B. Nimbalkar appointed as Non–Executive Chairman w.e.f. 20th March, 2010.

***** Mr. J. Stanton Dodson resigned as Director w.e.f. 20th March, 2010.Mr. J. Stanton Dodson attended one Board meeting held on 30th January, 2010 through tele conferencing.

****** Prof. Chandramouli Padmanabhan resigned as Director w.e.f. 29th October, 2009.

Note : No declaration of Directorship/ Committee membership under Section 299 of the Companies Act, 1956 & as per listing agreement was received from Prof. Chandramouli Padmanabhan, (resigned w.e.f. 29th October, 2009), and from Mr. Gopal Patwardhan and Mr. J. Stanton Dodson as they resigned on 20th March, 2010.

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
CA. Vijay Kantilal Thanawala	24th April, 1947 15th June, 2006	A practicing Chartered Accountant for the past 34 years and has vast and varied experience in the field of Audit, Taxation, Corporate Structuring and Management Consultancy.	B.Com, Chartered Accountant (FCA)	Autoline Industries Ltd - Audit Committee (Chairman)	1. Nova Flexipack Pvt. Ltd. 2. Symphony Integrated Finance Pvt. Ltd.	25
Prof. Abraham Koshy	18th January,1953 1st July, 2006	Professor of Marketing at the Indian Institute of Management (IIM), Vastrapur, Ahmedabad. Has vast and varied experience in the field of marketing strategy, brand management, product strategy, and social marketing. Provides advisory support to several companies in India and abroad. His areas of research interest include product strategy, brand management and strategic marketing. Has published the book "Marketing Management: A South Asian Perspective" with the legendary marketing guru Philip Kotler.	MBA; Doctorate (Ph.D) qualification in Management, specialising in Marketing from the Indian Institute of Management (Fellow, IIM Ahmedabad)	—	1. Malayala Manorama Co. Ltd. 2. Fedral Bank of India Ltd	—

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. Rakesh Jhunjhunwala	05th July 1960 27th June, 2008	Mr. Rakesh Jhunjhunwala is one of the better known equity investors in India. Mr. Jhunjhunwala belongs to a class of investors who has created wealth through careful stock selection, patience and conviction. Among India's successful investors, Mr. Jhunjhunwala is perhaps one of the few who has shared his insight into successful investing with the people at large through his articles, interviews and presentations. Mr. Jhunjhunwala founded his principles of investing – addressable opportunity, competitive ability, operating leverage and scalability, and integrity of the management. He is also known for his trading skills and believes that trend is his friend and learnt never to pre-empt trends. He also realized that investing also has a four letter word attached to it – RISK. As an investor he respects markets and believes that markets are never wrong. Markets are the basis and temples of capitalism. As an investor he never ends any of his opinion without saying that he can always be wrong, always reminding himself that market is always right. As a long term investor, Mr. Jhunjhunwala is credited with identifying stocks early on, believing in his investment, being patient and having conviction to hold the stocks for long periods of time. For him the price at which you buy is as or more important than what you buy. Mr. Rakesh Jhunjhunwala combines diverse skills as a brilliant equity trader, visionary investor and incubator of new businesses through private equity.	B.Com, Chartered Accountant (FCA)	1.Mid Day Multimedia Limited – member of Shareholders/ Investors Grievance Committee	1. A2Z Maintenance & Engineering Services Pvt. Ltd. 2. Aptech Ltd. 3. Future Ventures India Ltd. 4. Geojit BNP Paribas Financial Services Ltd. 5. Hungama Digital Media Entertainment Pvt. Ltd. 6. Inventurus Knowledge Solutions Pvt. Ltd. 7. Maneesh Pharmaceuticals Ltd. 8. Mid Day Multimedia Ltd. 9. Metro Shoes Ltd. 10. Nagarjuna Construction Co. Ltd. 11. Ohm Educom Foundation Pvt. Ltd. 12. Prime Focus Ltd. 13. Viceroy Hotels Ltd.	5,20,000

*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 Nimbalkar have accounting or related financial management expertise. Mr. Ashutosh B. Kulkarni, Company Secretary is the secretary to the committee. The Statutory Auditors and heads 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,

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 statements are 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, **five** Audit Committee meetings were held on 25th May, 2009, 17th June, 2009, 29th July, 2009, 28th October, 2009, and 30th January, 2010.

Attendance at the Audit Committee meetings:

Name of the Director	No. of meetings held	No. of meetings attended
CA. Vijay K. Thanawala	5	3
Mr. Prakash B.Nimbalkar	5	4
Mr. Ajit B. Karnik	5	5
Mr. M. Radhakrishnan	5	5

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 2009-2010 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	—	—	0.11	1,278	Resigned w.e.f. 20.03.2010
Mr. Shivaji T. Akhade Managing Director & Chief Executive Officer	3.60	Nil	Nil	5,61,181	5 years w.e.f. 1.10.2006
Mr. M. Radhakrishnan Jt. Managing Director	3.00	Nil	Nil	52,853	5 years w.e.f. 1.10.2006
Mr. Sudhir V. Mungase Wholetime Director	3.00	Nil	Nil	5,58,458	5 years w.e.f. 1.10.2006
Mr. Prakash B. Nimbalkar*** Non- Executive Chairman & Independent Director	—	0.26	0.25	325	—
CA. Vijay K. Thanawala Non-executive & Independent Director	—	0.26	0.10	25	—
Prof. Abraham Koshy Non-executive & Independent Director	—	0.26	0.02	Nil	—

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. Ajit B. Karnik Non-executive & Independent Director	—	0.26	0.19	Nil	—
Mr. J. Stanton Dodson**** Non-executive Director	—	—	0.03	Nil	—
Cmde. N. Ravindranathan IN (Retd)Non-executive & Independent Director	—	0.26	0.07	200	—
Prof. Chandramouli Padmanabhan***** Non-executive & Independent Director	—	—	Nil	Nil	—
Mr. Rakesh Jhunjhunwala Non-executive Director	—	0.26	Nil	5,20,000	—

* Commission of 1% of net profits was paid to Non-executive Directors who were on the Board as on 31st March, 2010.

** Mr. Gopal G. Patwardhan resigned as a Non–Executive Chairman and Director w.e.f. 20th March, 2010.

*** Mr. Prakash B. Nimbalkar appointed as Non–Executive Chairman w.e.f. 20th March, 2010.

**** Mr. J. Stanton Dodson resigned as Director w.e.f. 20th March, 2010.

****** Prof. Chandramouli Padmanabhan resigned as Director w.e.f. 29th October, 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 31st March, 2010.

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.

Considering the expertise and special services rendered by Non-executive Directors, the Board of Directors at its meeting held on 29th May, 2010 increased the amount of sitting fees from Rs. 10,000/- to Rs. 20,000/- for attending each Board meeting & Rs. 15,000/- for attending each Executive & Audit committee meeting.

The shareholders of the Company vide Special Resolution passed at the Extraordinary General Meeting held on 23rd March, 2007 have approved the payment of a sum 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 has been paid to the Non- Executive Directors for Financial Year 2009-10.

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 has decided not to pay commission to the Managing and Wholetime Directors for the financial year 2009 -10

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.	Rs. 0.30 Millions p.m.	Rs. 0.25 Millions p.m.	Rs. 0.25 Millions p.m.

*Mr. Gopal G. Patwardhan resigned as a Non–Executive Chairman and Director w.e.f. 20th March, 2010.

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.

FORFEITURE OF WARRANT MONEY:

The Company issued 10,80,000 warrants convertible into equity shares at an issue price of Rs. 250/- per warrant made on 17th June, 2008. As per the terms of the issue & Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, warrant holders were supposed to exercise the option of conversion within 18 months from the date of allotment i.e. on or before i.e. 16th December, 2009. The Share Allotment Committee of the Company at its meeting held on 17th December, 2009 noted that none of the warrant holders had exercised the said option to convert. Accordingly such entitlement has lapsed and Rs. 25/- per Convertible Warrants (CWs) [being 10% of issue price] total amounting to Rs. 2.70 Crores paid on the above CWs has been forfeited by the Company.

Sr. No.	Name of the subscriber	Category	Warrant applied for	Amount paid
1	M/s Citadel Advisors FZE, UAE	Foreign Company	2,70,000	Rs. 67,50,000/-
2	Mr. Gopal Patwardhan*	Director	2,70,000	Rs. 67,50,000/-
3	Mr. Shivaji T. Akhade	Managing Director & Promoter	1,35,000	Rs. 33,75,000/-
4	Mr. Sudhir V. Mungase	Wholetime Director & Promoter	1,35,000	Rs. 33,75,000/
5	Mrs. Rema Radhakrishnan	Promoter	1,35,000	Rs. 33,75,000/
6	Mr. Vilas Lande	Promoter	1,35,000	Rs. 33,75,000/

*Mr. Gopal G. Patwardhan resigned as a Non–Executive Chairman and Director w.e.f. 20th March, 2010.

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 consists 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 **six** times on 17th June, 2009, 29th July, 2009, 28th October, 2009, 30th January, 2010, 20th February, 2010 and on 3rd March, 2010.

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	6	6
Mr. Ajit B. Karnik	6	6
Mr. M. Radhakrishnan	6	6

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, 2010. During the year under review, the Company had received complaints from shareholders relating to dividend etc.. The complaints were duly attended to and there were no complaints pending for more than 30 days as on 31st March, 2010.

4. Executive Commitee

The Management Committee constituted earlier by the Board of Directors was dissolved on 29th May, 2010. The Executive Committee of the Board of Directors was constituted with effect from 1st September, 2009 to whom certain powers and duties has been delegated by the Board of Directors to oversee certain functions including but not limited to the following functions broadly:

1. To borrow & avail various credit facilities, loans from banks, financial institutions etc.
2. To recommend Board to take various decisions on financial commitments, roles etc.
3. To discuss on the financials and long term planning, strategic planning relating to business and its affairs of the company.
4. To monitor and control over all units and subsidiary companies operations.
5. Establishing control & supervision on all departments like production, sales. Purchase, HR, IT, Accounts and finance etc.
6. Discussions and decisions on purchase/sale of capital assets etc.
7. Discussions relating to acquisitions/ sale of units/ undertakings, negotiation with parties etc.
8. Business Developments and decisions to be taken in this respect.
9. Any other matter which the Board may from time to time deem fit.

The Executive Committee consists of Mr. Prakash B. Nimbalkar, Mr. S.T. Akhade and Mr. M. Radhakrishnan.

Mr. Prakash B. Nimbalkar is the Chairman of Executive Committee.

During the year under review, the Committee met **eight** times on 1st September, 2009, 25th September, 2009, 18th October, 2009, 24th October, 2009, 21st November, 2009, 20th December, 2009, 2nd February, 2010 and on 31st March, 2010.

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
2008-09, 13th AGM, Friday, 25th September, 2009	3-00 p.m.	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	1. Consent of the Members to pay remuneration of Rs. 36,00,000/- per annum 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. 2. Consent of the Members to pay remuneration of Rs. 30,00,000/- per annum 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 3. Consent of the Members to pay remuneration of Rs. 30,00,000/- per annum 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
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.

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 2009-10, the Company has not passed any resolution through postal ballot.

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 Exchanges, Securities and Exchange Board of India 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 in India 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.

i) Whistle Blower Policy

The Audit committee and the Board have adopted a Whistle Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or ethics policy.

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 SHAREHOLDERS' INFORMATION

i. Annual general meeting

Day, Date and Time	:	Friday, 24th September, 2010 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	:	Second week of August, 2010
Quarterly / Half-yearly results	:	Second week of November, 2010
Third quarter results	:	Second week of February, 2011
Fourth quarter results	:	Last week of May, 2011

iii. Dates of book closure : From Saturday, 18th September, 2010 to Friday, 24th September, 2010 (both days inclusive).

iv. Dividend payment : On or after Friday, 24th September, 2010.

v. Listing on Stock Exchanges :

1. Bombay Stock Exchange Limited (BSE), Mumbai Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001. India
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

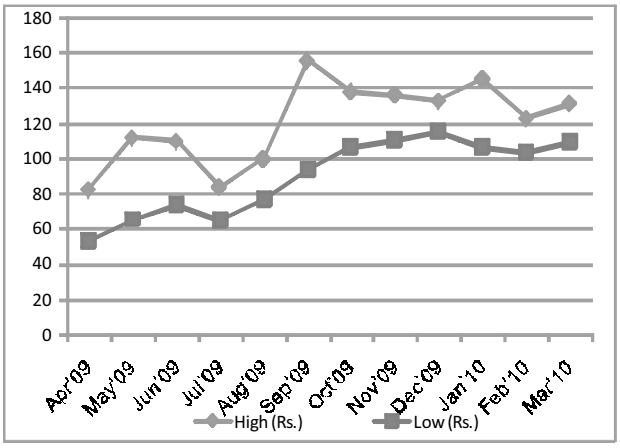
ISIN for Equity shares : INE718H01014

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

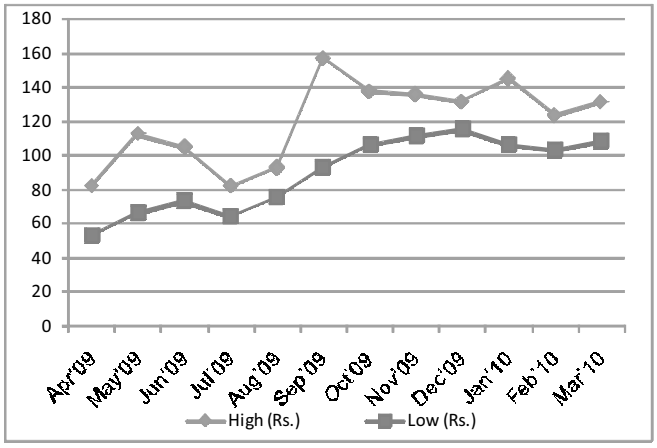
Monthly high and low quotations of shares traded on Stock Exchanges for the period from 1st April, 2009 to 31st March, 2010:

	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'09	82.5	52.8	11,492.10	9,546.29	82	53.05	3517.25	2965.7
May'09	112	65.2	14,930.54	11,621.30	113	66	4509.4	3478.7
Jun'09	110	73.75	15,600.30	14,016.95	105	73.55	4693.2	4143.25
Jul'09	83.85	64.3	15,732.81	13,219.99	82.25	63.9	4669.75	3918.75
Aug'09	100	76.5	16,002.46	14,684.45	92.95	75.5	4743.75	4353.45
Sep'09	155.4	93.5	17,142.52	15,356.72	157.3	93.2	5087.6	4576.6
Oct'09	137.8	106.45	17,493.17	15,805.20	137.9	105.8	5181.95	4687.5
Nov'09	136	110.1	17,290.48	15,330.56	136	111	5138	4538.5
Dec'09	132.75	115.35	17,530.94	16,577.78	131.75	115.4	5221.85	4943.95
Jan'10	145	106.8	17,790.33	15,982.08	145.4	106.5	5310.85	4766
Feb'10	122.9	103.15	16,669.25	15,651.99	123.7	103	4992	4675.4
Mar'10	131	109	17,793.01	16,438.45	131.5	108.25	5329.55	4935.35

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, Akshay Complex,
Off Dhole Patil Road, Near Ganesh Mandir,
Pune - 411 001, 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, 2010

No of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-5000	11852	91.3519	995498	8.1565
5001-10000	515	3.9695	435188	3.5657
10001-20000	247	1.9038	384424	3.1497
20001-30000	94	0.7245	240751	1.9726
30001-40000	48	0.3700	172896	1.4166
40001-50000	66	0.5087	312135	2.5574
50001-100000	76	0.5858	543402	4.4523
100001 and above	76	0.5858	9120675	74.7292
Total	**12974**	**100.00**	**12204969**	**100.00**

xi. Shareholding pattern as on 31st March 2010

Sr. No	Category	No. of shares held	% of holding
(A)	**Shareholding of Promoter & promoter group**		
I	Indian		
A	Individuals	23,49,467	19.2501
B	Bodies Corporate	9,00,000	7.3740
II	Foreign	----	----
	Total shareholding of promoter and promoter group – (A)	**32,49,467**	**26.6241**
(B)	**Public shareholding**		
I	Institution		
A	Mutual funds	----	----
B	Banks, Financial Institutions	----	----
C	FIIs	2,00,000	1.6387
	Sub total B (I)	**2,00,000**	**1.6387**
II	**Non Institutions**		
A	Bodies corporate	20,53,459	16.8248
B	Individuals holding nominal capital up to Rs. 1 Lac	26,02,944	21.3269
C	Individuals holding nominal capital in excess of Rs. 1 Lac	12,06,292	9.8836
D	Clearing member	1,10,583	0.9060
E	Foreign national	10,763	0.0882
F	Non-resident Indian (repatriation)	3,28,465	2.6912
G	Non-resident Indian (non repatriation)	12,939	0.1060
H	Foreign Companies	11,77,805	9.6502
I	Other Directors and relatives	12,52,252	10.2602
	Sub total B (II)	**87,55,502**	**71.7372**
	Total Public shareholding B(I) + B(II)	**89,55,502**	**73.3759**
(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, 2010 total dematerialised shares are 1,10,23,593 i.e. 90.32 % 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: There are no outstanding GDR/warrants or convertible bonds.

xiv. Factory 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, SIDCUL,
Rudrapur, Uttarakhand – 263 153

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

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

12) 2/86, 7th Avenue, Ashok Nagar,
Chennai – 600 083.

Foreign locations:

1) DEP Autoline, INC.USA : 560 Kirts Blvd., Suite 103,
Troy, Michigan – 48084, USA

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

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

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

xv. Address for correspondence : **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.

We, Shivaji T. Akhade, Managing Director & CEO and Narayan Bhat, 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, 2009 to 31st March, 2010 have been reviewed and to the best of our knowledge and belief ;

   1. these statements together present true and fair view of the Company's affairs and are in 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 our knowledge and belief, no transactions entered are fraudulent, illegal or violate the Company's Code of Conduct.

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

d) We indicated to the Auditors and Audit Committee:

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

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

   3. Instances of significant fraud of which we 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) | **(Narayan G. Bhat)**

Managing Director & CEO | *Chief Financial Officer*

Place : *Pune*

Dated : *29th May,2010*

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, 2010.

For Autoline Industries Limited

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

Dated : *29th May, 2010* | *Managing Director & CEO*

A U D I T O R ' S R E P O R T.

To,

The Members,

AUTOLINE INDUSTRIES LIMITED.

We have audited the attached **BALANCE SHEET** of **AUTOLINE INDUSTRIES LIMITED** as at **31st March 2010,** 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 and the Companies (Auditor's Report) (Amendment) Order, 2004 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) *We draw attention to -*

      (i) note no. 3(1)) in Schedule "24" regarding non provision for the expired export obligation.

      (ii) note no.10 in Schedule "24" regarding non provision for diminishing in value of investment in subsidiary Koderat Investments Ltd. (Cyprus). The note is self explanatory. In the given circumstances we are unable to give our opinion.

   e) 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,.

   f) On the basis of the written representation received from the Directors as on 31st March 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2010 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.

   g) 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 to Accounts in Schedule "24" and subject to our observations in 3(d) above give 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, 2010.**

      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

FIRM REGISTRATIOIN NO. : 121347W

(MOHAN R. GUJAR)

PARTNER

MEMBERSHIP NO. 030305

PLACE : *Pune*

DATE : *29th May, 2010*

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, 2010]

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 15,65,78,840/- and has been given to three parties.

   b) The advance given by the Company is to subsidiaries and it is interest free. 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. 17,47,25,978/- and is from two 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 transaction 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. As informed by the management the prescribed accounts and records have been made and maintained. We have, however, not made the examination of the records with a view to determine whether they are accurate or complete.

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, 2010, for a period of more than six months from the date they became payable.

   b) As at 31st March 2010, 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, 2010, 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
FIRM REGISTRATIOIN NO. : 121347W

(MOHAN R. GUJAR)
PARTNER
MEMBERSHIP NO. 030305

PLACE : *Pune*
DATE : *29th May, 2010*

BALANCE SHEET AS AT 31ST MARCH, 2010

Particulars	SCH No.	31.03.2010 Rs.	31.03.2009 Rs.
SOURCES OF FUNDS			
(1) Owners Funds			
(a) Share Capital	1	122,049,690	122,049,690
(b) Share Warrants	1A	-	27,000,000
(c) Reserves and Surplus	2	1,741,323,114	1,610,798,668
		1,863,372,804	**1,759,848,358**
(2) Borrowed Funds			
(a) Secured Loans	3	1,167,691,013	1,064,343,524
(b) Unsecured Loans	4	386,100,558	333,623,270
		1,553,791,571	**1,397,966,794**
(3) Deferred Tax Liability (Net)	5	**64,891,500**	**48,342,000**
TOTAL		**3,482,055,875**	**3,206,157,152**
APPLICATION OF FUNDS			
(1) Fixed Assets	6		
(a) Gross Block		2,600,629,871	2,270,442,062
(b) Less: Accumulated Depreciation		318,142,958	221,588,557
(c) Net Block		**2,282,486,913**	**2,048,853,505**
(2) Investments	7	874,935,920	856,222,500
(3) Current Assets, Loans and Advances			
(a) Inventory	8	253,057,918	211,172,202
(b) Sundry Debtors	9	303,778,178	210,326,002
(c) Cash and Bank Balances	10	83,194,460	12,027,721
(d) Other Current Assets	11	338,120,488	307,953,954
		978,151,044	**741,479,878**
Less : Current Liabilities and Provisions			
Current Liabilities	12	600,870,084	418,663,266
Provisions	13	53,246,974	22,534,204
		654,117,058	**441,197,470**
Net Current Assets		324,033,987	300,282,408
(4) **Miscellaneous Expenses (Asset) (To the Extent not written off or adjust)**		599,054	798,739
Significant Accounting Policies and Notes to Accounts	24		
TOTAL		**3,482,055,875**	**3,206,157,152**

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES — **FOR & ON BEHALF OF THE BOARD**

CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR) — **SHIVAJI AKHADE** — **M. RADHAKRISHNAN**

PARTNER — *MANAGING DIRECTOR* — *JT. MANAGING DIRECTOR*

M. NO. 030305

PLACE : PUNE — **NARAYAN BHAT** — **ASHUTOSH KULKARNI**

DATE : *29th May, 2010* — *CHIEF FINANCIAL OFFICER* — *COMPANY SECRETARY*

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

Particulars	SCH. NO.	31.03.2010 Rs.	31.03.2009 Rs.
INCOME			
Gross Sales	15	3,021,245,436	2,631,941,597
Less : Excise Duty		225,145,655	291,215,204
Sales (Net)		**2,796,099,781**	**2,340,726,393**
Miscellaneous Income	16	29,973,413	18,656,114
(Increase) / Decrease of Finished Goods	17	(369,368)	14,069,899
TOTAL		**2,825,703,826**	**2,373,452,406**
EXPENDITURE			
Cost of Material Consumed	18	1,765,234,179	1,576,631,679
Other Manufacturing Expenses	19	446,308,387	402,242,428
Employment Cost	20	143,906,232	121,860,570
Administrative Expenses & General Expenses	21	49,774,868	42,159,628
Selling Expenses	22	40,486,885	12,049,357
Preliminary & Miscellaneous Expenses written off		199,685	199,685
TOTAL OPERATING EXPENSES		**2,445,910,237**	**2,155,143,346**
Profit before Depreciation, Interest and Tax		**379,793,590**	**218,309,059**
Interest and Financial Charges	23	101,915,504	71,677,679
Profit before Depreciation and Tax		**277,878,086**	**146,631,380**
Depreciation	6	104,745,733	84,190,935
Profit Before Tax		**173,132,352**	**62,440,445**
Provision for Income Tax and Wealth Tax		24,500,000	7,350,000
Provision for Fringe Benefit Tax		-	845,000
Provision for Deferred Tax Liability (Net)		13,500,000	8,675,000
Previous year adjustment (Excess Tax Provision W/Back)		-	(140,000)
Profit After Tax		**135,132,352**	**45,710,445**
Balance Brought Forward		322,556,441	292,325,200
Amount available for Appropriations		**457,688,793**	**338,035,645**
Appropriations			
Dividend (Incl. Dividend Distribution Tax)(Proposed Dividend 20%) (Previous Year final Dividend of 10%)		28,558,407	14,279,204
Transfer to General Reserve		13,500,000	1,200,000
Balance Carried to Balance Sheet		**415,630,386**	**322,556,441**
Earning per Share (Basic)(Par Value Rs. 10 each)		11.07	3.75
Earning per Share (on Weighted Average)		11.07	3.90
(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 — **FOR & ON BEHALF OF THE BOARD**

CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR)	**SHIVAJI AKHADE**	**M. RADHAKRISHNAN**
PARTNER	*MANAGING DIRECTOR*	*JT. MANAGING DIRECTOR*
M. NO. 030305		
PLACE : PUNE	**NARAYAN BHAT**	**ASHUTOSH KULKARNI**
DATE : *29th May, 2010*	*CHIEF FINANCIAL OFFICER*	*COMPANY SECRETARY*

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2010

	Particulars	31-03-2010 Rs.	31-03-2009 Rs.
A	**Cash Flow from Operating Activities**		
	Net Profit after Tax	135,132,352	45,710,445
	Adjustment for :		
	Depreciation	104,745,733	84,190,935
	Depreciation on Assets Deducted	(8,191,330)	(9,176,313)
	Amortisation of Miscellaneous Expenditure	199,685	199,685
	Deferred Tax Liability (Net)	13,500,000	8,675,000
	Operating Profit before Working Capital Changes	**245,386,440**	**129,599,752**
	Adjustment for :		
	Trade and Other Receivable	(123,618,711)	46,440,930
	Inventories	(41,885,717)	(19,563,387)
	Misc. Expenditure	-	(998,424)
	Trade Payables and Other Payable	212,919,587	65,653,119
	Cash Generated from Operations	**292,801,600**	**221,131,990**
	Net Cash from Operating Activities	**292,801,600**	**221,131,990**
B	**Cash Flow from Investing Activities**		
	Acquisition of Fixed Assets (Net)	(330,187,809)	(557,683,258)
	Investments	(18,713,420)	(250,199,050)
	Net Cash from Investing Activities	**(348,901,229)**	**(807,882,308)**
C	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings (Net)	155,824,777	251,818,106
	Equity Capital & Share Premium	-	320,750,000
	Dividend	(28,558,407)	(14,279,204)
		127,266,370	558,288,902
	Net Increase / Decrease in Cash & Cash Equivalent	71,166,740	(28,461,416)
	Cash & Cash equivalent as at 01.04.2009	12,027,721	40,489,138
	Cash & Cash equivalent as at 31.03.2010	83,194,461	12,027,721
	Net Increase / Decrease in Cash & Cash Equivalent	71,166,740	(28,461,416)

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES — **FOR & ON BEHALF OF THE BOARD**

CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR) — **SHIVAJI AKHADE** — **M. RADHAKRISHNAN**

PARTNER — *MANAGING DIRECTOR* — *JT. MANAGING DIRECTOR*

M. NO. 030305

PLACE : PUNE — **NARAYAN BHAT** — **ASHUTOSH KULKARNI**

DATE : *29th May, 2010* — *CHIEF FINANCIAL OFFICER* — *COMPANY SECRETARY*

Schedules Forming Part of Balance Sheet as at 31st March, 2010

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE " 1" SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
25,000,000 Equity Shares of Rs. 10 each	250,000,000	250,000,000
TOTAL AUTHORISED SHARE CAPITAL	**250,000,000**	**250,000,000**
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
12,204,969 Equity Shares of Rs. 10 Each. (Prev. Year 12,204,969 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.)	122,049,690	122,049,690
TOTAL	**122,049,690**	**122,049,690**
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
Less : Depreciation on Revalued Assets	–	830,934
Closing Balance	–	–
SHARE PREMIUM		
Opening Balance	1,236,542,228	958,341,728
Add : During the Year	–	281,250,000
Less: Deferred Tax Asset of Share IPO Expenses	3,049,500	3,049,500
	1,233,492,728	**1,236,542,228**
GENERAL RESERVE		
Opening Balance	51,700,000	50,500,000
Add : Transferred During the Year	13,500,000	1,200,000
	65,200,000	51,700,000
CAPITAL RESERVE		
Opening Balance	–	–
Add : Transferred During the Year	27,000,000	–
	27,000,000	–
PROFIT AND LOSS ACCOUNT		
Profit & Loss Account	415,630,386	322,556,441
	415,630,386	**322,556,441**
TOTAL	**1,741,323,114**	**1,610,798,669**

Schedules Forming Part of Balance Sheet as at 31st March, 2010

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE " 3" SECURED LOANS		
Citibank ECB Loan	286,997,920	372,502,056
Citibank Term Loan	62,500,000	112,500,000
Citibank Cash Credit A/c No. 4002	-	19,961,134
State Bank of India Term Loan A/c No.5012	66,789,676	116,952,933
State Bank of India Term Loan A/c No.9134	69,657,381	75,029,281
Union Bank of India Term Loan A/c No.146	75,700,051	-
State Bank of India CC A/c No. 2546	151,396,272	-
Axis Bank Limited CC A/c No. 417	150,788,896	-
Union Bank of India CC A/c No.45	151,435,119	-
State Bank of India Loan A/c No.335	50,325,220	
DBS Bank Ltd	70,000,000	150,000,000
Tata Capital Ltd	32,085,453	44,000,000
Barclays Bank Ltd., PLC FCCC	-	89,478,436
Barclays Bank Ltd., PLC CC	-	45,000,000
Kotak Mahindra Bank Cash Credit	-	38,410,067
(Citibank loan are secured by charge on Fixed assets at Chakan unit II, Pune Term loan of SBI & UBI are secured by charge on Fixed assets at Chakan I, Pune T-135, MIDC, Pune and Plot No. 8 at Rudrapur. Corporate loan of SBI is secured by 1st Charge on fixed assets at Chakan III- Mahalunge & Personal Guarantee of former Director. Working Capital from SBI, UBI & Axis bank is secured by charge on Current Assets of the company DBS loan has been secured by charge on Fixed Assets at Kudalwadi Unit at Gat No 825 & 712, Pune. Loan from Tata Capital Ltd has been secured by charges on Fixed Assets at E 12 (7), MIDC, Pune.)		-
Vehicle Loans		
Tata Motors Finance Ltd.	15,025	509,617
[The above Loans have been secured by hypothecation of Vehicles owned by the Company.]		
TOTAL	**1,167,691,013**	**1,064,343,524**
SCHEDULE " 4" UNSECURED LOANS		
Unsecured Loan (Sales Tax Deferral)	26,599,316	26,599,316
Unsecured Loan (Others)	359,501,242	307,023,954
TOTAL	**386,100,558**	**333,623,270**
SCHEDULE " 5 " DEFERRED TAX LIABILITY		
DEFERRED TAX LIABILITY	68,813,700	55,313,700
DEFERRED TAX ASSETS	3,922,200	6,971,700
DEFERRED TAX LIABILITY (NET)	**64,891,500**	**48,342,000**

SCHEDULES FORMING PART OF BALANCE SHEET AS AT 31ST MARCH 2010

SCHEDULE 6 : FIXED ASSETS :

SR. NO	ASSET	RATE (%)	GROSS BLOCK					DEPRECIATION					NET BLOCK	
			AS ON 01.04.2009	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2010	AS ON 01.04.2009	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	LAND & DEVELOPMENT	-	90,782,929	13,448,316		-	104,231,245	-	-			-	104,231,245	90,782,929
2	BUILDING	3.34	545,403,722	78,652,307		-	624,056,029	37,137,252	18,789,180		-	55,926,432	568,129,597	508,266,470
3	PLANT & MACHINERY	4.75	780,148,072	117,599,391	316,115	9,055,351	888,375,997	81,792,329	38,656,960	22,873	548,446	119,877,970	768,498,027	698,355,743
4	TOOLS AND DIES	11.31	175,935,068	50,671,130	-	20,247,901	206,358,297	53,851,150	18,876,724	-	7,620,011	65,107,863	141,250,434	122,083,918
5	COMPUTERS AND SOFTWARES	16.21	41,162,954	19,783,864		-	60,946,818	18,209,300	6,917,537			25,126,837	35,819,981	22,953,654
6	ELECTRICAL FITTINGS	6.33	74,899,894	5,884,192	-	-	80,784,086	9,526,489	4,802,376			14,328,865	66,455,221	65,373,405
7	FURNITURE	6.33	13,092,461	263,815		-	13,356,276	2,118,250	830,258	-		2,948,508	10,407,768	10,974,211
8	VEHICLES	9.50	16,532,998	275,000		-	16,807,998	5,072,761	1,592,394	-		6,665,155	10,142,843	11,460,237
9	OFFICE EQUIPMENTS	7.07	5,354,867	715,625		-	6,070,492	905,439	385,734	-	-	1,291,173	4,779,319	4,449,428
10	CAPITAL WIP	-	397,373,245	270,838,594	207,514,909	-	460,696,930	-	-	-	-	-	460,696,930	397,373,245
11	R & D PROCESS DEVELOPMENT	10.00	129,755,852	9,189,851		-	138,945,703	12,975,585	13,894,570	-	-	26,870,155	112,075,548	116,780,267
	TOTAL		**2,270,442,062**	**567,322,085**	**207,831,024**	**29,303,252**	**2,600,629,871**	**221,588,555**	**104,745,733**	**22,873**	**8,168,457**	**318,142,958**	**2,282,486,913**	**2,048,853,507**
	Previous year		**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**

Schedules Forming Part of Balance Sheet as at 31st March, 2010

Particulars	As at 31.03.2010	As at 31.03.2009
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	14,129,260	14,129,260
Pref. Shares of Rs.10 each fully paid)		
Autoline Industrial Parks Ltd.	165,499,940	165,499,940
(2,48,24,994 Equity Shares of Rs.10 each fully paid)		
Nirmiti Autocomponents Pvt. Ltd.	46,949,396	46,949,396
(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 INC., 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	67,280
(1,000 Shares/ Stock of Euro 1 each fully paid)		
(Share Application Money)	241,527,594	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	--	
(Prev. year - 1,660 Shares of Rs. 10 each @ Rs. 230 per Share)	--	381,800
Unquoted		
Rupee Co-op. Bank Ltd.	878,550	878,550
Vasantdada Shetkari Sahakari Bank Ltd.	500,000	500,000
TOTAL	**874,935,920**	**856,222,500**
SCHEDULE " 8" INVENTORY		
Finished Goods	22,315,279	25,184,647
Work-in-progress	35,251,147	23,786,050
Raw Material, Consumables & Bought outs	194,130,014	160,619,214
Stock In Transit	1,361,478	1,582,291
(As taken, valued and certified by the Management)		
TOTAL	**253,057,918**	**211,172,201**
SCHEDULE " 9" SUNDRY DEBTORS		
(Unsecured and Considered Good)		
Less Than 6 Months	300,356,588	203,797,406
More Than 6 Months	3,421,590	6,528,596
TOTAL	**303,778,178**	**210,326,002**

Schedules Forming Part of Balance Sheet as at 31st March, 2010

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE " 10 " CASH AND BANK BALANCE		
Cash in hand	85,466	54,098
Balance with Scheduled Banks	982,635	4,361,767
Balance with Other Banks	33,035,457	5,362,251
(Of the Above Rs. 4,55,598/- is outstanding in dividend unpaid account		
Fixed Deposits with Banks	49,090,903	2,249,605
TOTAL	**83,194,460**	**12,027,721**
SCHEDULE " 11 " OTHER CURRENT ASSETS		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED		
Income Tax & FBT (NET)	28,873,251	65,529,767
Excise , Service Tax Incl. Edu. Cess	136,165,289	127,965,194
Deposit Govt Authorities	10,169,595	10,152,965
Trade Deposits	1,787,268	4,758,983
Advance to Suppliers	1,500,000	
Subsidiary Company Account		
Autoline Design Software Ltd	23,971,764	24,500,242
Autoline Industries USA Inc	87,607,076	72,373,476
Nirmiti Autocomponents Pvt. Ltd.	45,000,000	--
Other Current Account		
Prepaid Expenses	3,046,245	2,673,327
TOTAL	**338,120,488**	**307,953,954**
SCHEDULE " 12 " CURRENT LIABILITIES		
Sundry Creditors (Include. for goods, Services)	312,825,625	317,380,977
Sundry Creditors for Capital Goods	222,729,177	61,526,524
OTHER CURRENT LIABILITIES :		
TDS Payable	4,508,056	3,145,676
Profession Tax Payable- (Employees)	93,500	75,640
Outstanding Expenses	23,048,301	18,417,609
Sales Tax Payable	25,946,579	13,689,797
Deposit - Indian Scrap Merchant	5,000,000	-
Wages and Salary Payable	5,672,062	4,119,512
Service Tax Payable	591,186	-
Unclaimed Interim Dividend (08-09)	152,441	-
Unclaimed Final Dividend (07-08)	121,325	123,475
Unclaimed Interim Dividend (07-08)	113,246	68,611
Unclaimed Dividend (06-07)	68,586	115,446
TOTAL	**600,870,084**	**418,663,266**
SCHEDULE " 13 " PROVISIONS		
Provision for Income Tax , FBT & Wealth Tax	24,500,000	8,255,000
Dividend (Incl. Dividend Tax) Payable	28,746,974	14,279,204
TOTAL	**53,246,974**	**22,534,204**
SCHEDULE " 14" MISCELLANEOUS EXPENSES (ASSET)		
(To the extent not written off)		
Share issue expenses	798,739	296,914
Expenses for increase in Authorized Share Capital	-	701,510
	798,739	998,424
Less: Written off during the year	199,685	199,685
TOTAL	**599,054**	**798,739**

Schedules Forming Part of Profit & Loss Account for the year ended 31st March, 2010

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE " 15 " SALES		
SALES	3,021,245,436	2,631,941,597
(Inclusive of Excise Duty of Rs. 2,23,214,094/.-)		
(Previous Year Rs. 291,215,204/-)		
	3,021,245,436	**2,631,941,597**
SCHEDULE " 16 " MISCELLANEOUS INCOME		
Interest Received	4,585,218	7,903,365
Other Income	12,916,981	10,447,495
Dividend Received	-	91,373
Profit on Sale of Shares	340,211	-
Foreign Exchange Fluctuation (Profit) /Loss (Net)	12,131,003	
Profit on Sale of Machinery	-	213,881
	29,973,413	**18,656,114**
SCHEDULE " 17 " INCREASE/ (DECREASE) IN FINISHED GOODS		
Opening Stock	25,184,647	11,114,748
Closing Stock	24,815,279	25,184,647
Change In Stock	**(369,368)**	**14,069,899**
SCHEDULE " 18 " COST OF MATERIAL CONSUMED		
Opening Stock	185,987,554	180,494,066
Purchases (Raw Material, Consumables, Stores and Spares)	1,807,489,264	1,582,125,168
Closing Stock	228,242,639	185,987,554
MATERIAL CONSUMED	**1,765,234,179**	**1,576,631,679**
SCHEDULE " 19 " OTHER DIRECT COSTS		
Labour Charges	81,830,126	65,264,868
Labour Welfare	3,061,454	2,725,040
Power And Fuel	44,035,018	36,235,624
Sales Tax And Duties	265,693,175	254,300,716
Transport And Octroi	51,688,615	43,716,180
	446,308,387	**402,242,428**
SCHEDULE " 20 " EMPLOYMENT COST		
Salaries, Wages And Bonus	136,810,700	117,327,592
Contribution to Provident and Other Funds	3,298,868	2,840,946
Workmen and Staff Welfare Expenses	3,796,664	1,692,032
TOTAL	**143,906,232**	**121,860,570**

Schedules Forming Part of Profit & Loss Account for the year ended 31st March, 2010

Particulars	As at 31.03.2010	As at 31.03.2009
SCHEDULE " 21 " ADMINISTRATIVE COST		
A.G.M. / E.G.M. Expenses	7,810	74,741
Advertisement Expenses	208,002	785,929
Books and Periodicals	101,858	22,859
Commission to Non Executive Directors	1,600,000	720,000
Directors Sitting Fees	810,000	500,000
Donations	79,614	22,612
Foreign Travelling Expenses	1,126,079	720,179
Foreign Exchange Fluctuation Loss (Net)	-	2,076,408
Hire Charges (Other)	514,179	622,753
Insurance	3,581,674	2,434,110
Membership and Subscription	195,141	450,837
Office & Miscellaneous Expenses	1,347,120	665,360
Payment to Auditors (Including Internal Auditors)	1,983,998	2,932,457
Postage and Telephone	3,899,256	3,205,644
Printing and Stationery	2,727,580	2,515,260
Professional, Consultancy & legal Charges	6,241,540	4,837,533
Rates and Taxes	1,733,688	1,914,412
Rent	3,224,870	2,088,777
Repairs and Maintenance		
Repairs and Maintenance- Computer	338,616	445,130
Repairs and Maintenance- Building	1,112,153	111,306
Repairs and Maintenance- Others	1,927,417	713,419
Repairs and Maintenance- Plant and Machinery	2,989,986	2,514,603
Security Charges/Service charges	5,132,316	4,365,024
Sundry Balances written off	56,826	16,715
Testing & Inspection Charges	1,217,162	777,956
Travel and Conveyance	3,857,975	3,212,645
Vehicle Expenses	392,536	202,831
Hire Charges-Vehicle	38,795	405,595
Vehicle Repair & Maintenance	1,435,148	1,061,868
Water Charges	1,630,792	1,571,585
Weighing Charges	262,738	171,080
	49,774,868	**42,159,628**
SCHEDULE " 22 " SELLING EXPENSES		
Discount & Rate Diff (Others)	2,682,496	990,718
Discount & Rate Diff (TML)	37,186,312	9,364,203
Sales Promotion Expenses	618,077	1,694,436
	40,486,885	**12,049,357**
SCHEDULE " 23 " INTEREST AND FINANCIAL CHARGES		
Bank Charges / Commission	1,947,121	475,024
Letter of Credit Charges	9,779,959	-
Interest on Cash Credit	54,849,736	37,058,341
Interest on Term Loan	10,384,293	17,748,043
Interest Paid (Vehicle Loan & Other)	23,219,174	15,834,471
Foreclosure Charges	685,201	
Term Loan Processing Charges	1,050,020	561,800
	101,915,504	**71,677,679**

NOTES ON ACCOUNTS FOR THE YEAR ENDED ON 31ST MARCH, 2010.

SCHEDULE : " 24"

ATTACHED TO AND FORMING PART OF BALANCE SHEET AS AT 31ST MARCH, 2010.

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 realizable 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/ rejection. 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 asset 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 CommissionerContribution 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 and Wealth Tax is included in determining the net profit for the year. A provision is made for the current 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 31.03.2009 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 Share Allotment Committee of the company noted that none of the warrant holders had exercised the option to convert all 10,80,000 warrants issued and since such entitlement lapsed, Rs.25 per Convertible Warrant (being 10% of issue price) total amounting to Rs.2.70 crores paid on the above Convertible Warrants have been forfeited by the company. The said amount of Rs.2.70 crores has been transferred to Capital Reserve account in the books of accounts of the company.

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

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 was to be completed up to 23/05/2010, however the company has not completed its obligation by this date. Amount due up to 31.03.2010 can not be worked out hence the liability for the year ending on 31.03.2010 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. Corporate Guarantee not exceeding USD 53,50,000 given on behalf of Autoline Industries Indiana LLC, USA in favour of Tower Bank and Trust Company.

Long Term Loan	:	$ 1,303,094.76
Short Term Loan	:	$ 314,484.44
Working Line of Credit	:	$ 2,496,404.54
Tooling Line of Credit	:	$ 999,509.00
Total	**:**	**$ 5,113,492.74**

5. Corporate Guarantee of Rs. 15,00,00,000/- given to NKGSB Co-Op. Bank Ltd and Vidya Sahakari Bank Ltd, for loan given to wholly owned Subsidiary Nirmiti Autocomponents Pvt. Ltd.

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

a) The Company has not received any information from supplier or service providers, whether they are covered under the "Micro, Small and Medium Enterprises (Development) Act 2006".Disclosure relating to amount unpaid at the year-end together with interest payable, if any, as required under the said act are not ascertainable.

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.34,21,000/- for the year ended 31st March 2010 has been provided in the books of accounts on actual basis. Leave Encashment has been provided for Rs. 15,24,098/- 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	2009-10 Rs in Lacs.	2008-09 Rs in Lacs.
Net Profit for the Year Before Tax	1747.32	636.60
Add : Managerial Remuneration	104.10	109.00
Less : Extra Ordinary Profit	-	2.14
Net Profit Computed under Section 349	1851.42	743.46
Details of Managerial Remuneration		
Commission to Independent / Non Executive Directors	16.00	7.20
Directors Remuneration	96.00	109.00
Independent Directors Sitting Fees	8.10	5.00
Total :	**120.10**	**121.20**

Maximum Commission payable to Non Executive Directors

at 1 % of Rs. 1851.42 Lacs i.e. Rs. 18.51 Lacs (Prev Year at 1% of Rs. 743.46 i.e. Rs.7.43 Lacs))

Provision made for year 2009-10 Rs. 16.00 Lacs (Prev Year Rs. 7.20 Lacs)

Maximum Remuneration Payable to whole time Directors

at 10% of Rs. 1851.42 Lacs i.e. Rs. 185.14 Lacs (Prev Year at 10% of Rs. 743.48 i.e. Rs. 74.35 Lacs)

Actual Remuneration Paid Rs. 96.00 Lacs (Prev Year Rs. 109.00 Lacs)

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 further invested:

Share Application Money of Rs. 1,90,95,220 has been made with the company's wholly owned subsidiary Koderat Investments Ltd.

The Company has Invested Euro 3.05 Million Plus Incidental expenses (Bal on 31.03.2010 in INR Rs. 24,15,27,594.) in Wholly owned Subsidiary Koderat Investments Ltd. (Cyprus). In turn subsidiary utilized the same for investment in SZ Design Srl and Zagato Srl, Milan Italy. SZ Design Srl and Zagato Srl, Milan, Italy has issued 49% of equity shares to Koderat Investments Ltd. (Cyprus). SZ Design Srl is undergoing financial restructuring as the net worth of the company has been eroded due to various financial write offs. Further one of the creditors has filed the case of Bankruptcy against the company in Italy which has since been settled.

At the meeting of the shareholders Mr. Andrea Zagato, the original promoter of SZ Design Srl Italy has been appointed as liquidator as per Italian Law on 19/10/ 2009 to enable him to continue as a going concern and take steps to revive the company. In view of the above developments the realisability of the above investment by Koderat in SZ Design Srl Italy is highly uncertain. As the meeting of the share holders of SZ Design Srl Italy has been scheduled in the first week of June 2010 the decision of diminishing / write off the investment will be taken after this meeting. Hence the diminishing in value of investment is not considered in the current financial year.

11 **Deferred Tax Asset / Liability:**The net deferred tax liability (Net) for the year under consideration amounting to Rs. 1,35,00,000/- has been recognized in profit & Loss Account. The Provision for Deferred Tax Liability for the current year of Rs. 1,35,00,000/- is provided on the difference between Book Depreciation and Tax Depreciation, other than permanent differences.

Amount in Rs.

Sr. No.	Particulars	2009-10
A	The Movement of deferred Tax account is as follows.	
	Deferred Tax Liability :	
	Opening Balance :	4,83,42,000
	Add: Current Year Provision	1,65,49,500
	Closing Balance	6,48,91,500
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	6,88,13,700
	Deferred Tax Asset	39,22,200
	Deferred Tax Liabilities (Net)	6,48,91,500
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	5,53,13,700
	Add: Current Year Provision	1,35,00,000
	Total	6,88,13,700
	Deferred Tax Assets :	
	Tax impact of expenses allowable as deduction in future years under Income Tax :	69,71,700
	Less: Transfer to Share Premium Account	30,49,500
	Less: Last Year's effect reversed	-
	Add: Current Year Provision	-
	Total	**39,22,200**

12 **Segment Reporting :** The company is in the business of dealing and manufacturing of pressed sheet metal auto components and assemblies which 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	2009-10	2008-09
(a)	Profit After Tax	13,51,32,352	45,710,444
(b)	The weighted Average number of equity shares	1,22,04,969	11,732,098
	Shares of Rs. 10 Each		
	Earnings per Share (Weighted Average)	11.07	3.90
(c)	No of shares on year end date	1,22,04,969	12,204,969
	Earning per Share (Basic)	11.07	3.75

14 **Related Party Transactions :**

Related Party Disclosure as required by Accounting Standard 18 for the year ended 31st March, 2010

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	Non-Executive Director (Till 20th March, 2010)
Mr. Vilas Lande	Relative of Director.
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.
K. Koderat Investments Ltd.

Nature of Transactions	Key management personnel & their relatives amount(Rs)	To / from other entities amount (Rs)
Directors Remuneration	96,00,000	-
Commission to Non Executive / Independent Directors	16,00,000	-
Independent Directors Sitting Fees	8,10,000	-
Other Remuneration/ Professional Charges		19,85,400
Car Hire Charges		38,795
Labour Charges & Material Supply (Purchase)	-	3,78,11,733
Rent payment	-	34,85,400
Computer Aided Services	-	1,36,74,674
Sale of Material	-	19,24,78,289
Transportation	-	76,05,299
Interest Received	-	-
Interest Paid	-	2,06,01,620
Management Fees received	-	10,463,500/-
Unsecured Loans	-	-

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		2009-2010		2008-2009
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)		30212.45		26319.41
	Quantity in MT		43700.38		38069.35
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	2789.11	1677.10	2253.26	1354.89
	Work in Process	588.89	352.51	397.36	237.86
	Finished Goods	371.15	248.15	376.68	251.85
	Stores, Spares, Consumables, Boughtouts, scrap & other Misc Manufacturing Material		252.81		262.55
18	**Imported & Indigenous Raw Materials & Stores Consumed:**				
	Indigenous Raw Material Consumed including Stores, Spares, Bought outs Consumed (Qty given for Raw Material.)	32149.02	18074.89	27170.98	15821.25
	Note:- All the raw material, store, spares, bought out consumed are indigenous.				
19	**Value of imports on CIF Basis ;**				
	- Capital Goods		1,01,97,000		3,38,89,678
20	**Expenditure in Foreign Currency**				
	- Interest –(Bank)		4,21,94,794		1,93,83,840
	- Foreign Travel		2,74,551		4,75,088
	- Professional ,Legal Fees And Bank Charges		-		30,42,486
	- Investment(Shares of Foreign Subsidiary)		34,08,266		17,38,55,500
			-		-
21	**Amount Remitted during the year in foreign currency**				
	- Dividend to Foreign Corporates (Paid for the F.Y. 2008-2009, USD 31,735,20 Paid to 3 Shareholders)		14,72,136		1,20,80,780
22	**Earnings in foreign exchange**				
	- Interest from Foreign Subsidiary (The interest has not been received in view of change in the terms of agreement between the company and the subsidiary)		-		69,55,472
	- Exports		2,28,80,779		73,57,403
23	Amount received during the year in foreign currency		87,11,718		1,15,55,449
	Managerial Remuneration :				
	Gopal Patwardhan		-		13,00,000
	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		**96,00,000**		**1,09,00,000**
24	**Auditors Remuneration includes :**		**2009-2010**		**2008-2009**
			Rs.		Rs.
	Statutory Audit Fees		9,00,000		9,00,000
	Fees for Income Tax matters		2,20,000		2,00,000
	Fees for Certification work		3,70,000		3,00,000
	Service Tax		1,53,470		1,44,200
			16,43,470		**15,44,200**

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 — **FOR & ON BEHALF OF THE BOARD**

CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR)	**SHIVAJI AKHADE**	**M. RADHAKRISHNAN**
PARTNER	*MANAGING DIRECTOR*	*JT. MANAGING DIRECTOR*
M. NO. 030305		
PLACE : PUNE	**NARAYAN BHAT**	**ASHUTOSH KULKARNI**
DATE : *29th May, 2010*	*CHIEF FINANCIAL OFFICER*	*COMPANY SECRETARY*

CONSOLIDATED FINANCIAL STATEMENT
A U D I T O R 'S R E P O R T.

To,
The Board of Directors,
AUTOLINE INDUSTRIES LIMITED.
Pune.

(1) We have examined the attached consolidated Balance Sheet of Autoline Industries Limited ('the Company') and its subsidiaries ("the Group") as at **31st March 2010**, and also the consolidated Profit & Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which includes the unaudited financial statements of Autoline Industries USA INC and DEP Autoline INC, USA and Koderat Investments Limited, are reviewed by other Auditors and Nuvent Technologies Private Limited 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.

(2) 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, insofar 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, 2010 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	4487.11	9791.73
DEP Autoline INC, USA	1640.90	1232.30
Nuvent Technologies Private Limited	225.46	276.76
Koderat Investments Limited	39.90	(31.19)

(3) 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.

(4) 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.

(5) *Without qualifying our opinion we draw attention to –*

(i) note no.2 in Schedule "25" regarding non provision for diminishing in value of investment in subsidiary Koderat Investments Ltd. (Cyprus) in the books of Autoline Industries Ltd. The note is self explanatory. In the given circumstances we are unable to give our opinion.

(ii) note no. 4(a)(i) in Schedule "24" regarding non provision for the expired export obligation in the books of Autoline Industries Ltd.

(6) 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 statement\s and on other financial information of the components and to the best of our information and according to the explanations given to us, subject to our observations in Para 5 above 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, 2010.**

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 : *29th May, 2010*

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

Particulars	SCH No.	31.03.2010 Rs.	31.03.2009 Rs.
A] SOURCES OF FUNDS			
(1) Shareholders Funds			
(a) Share Capital	1	122,049,690	149,049,690
(b) Reserves and Surplus	2	2,146,182,012	1,984,313,185
(c) Minority Interest		387,332,295	380,402,097
		2,655,563,997	**2,513,764,972**
(2) Borrowed Funds			
(a) Secured Loans	3	1,530,545,721	1,039,520,325
(b) Unsecured Loans	4	281,626,655	432,525,722
		1,812,172,376	**1,472,046,047**
(3) Deferred Tax Liability (Net)	5	76,069,939	59,438,810
TOTAL		**4,543,806,312**	**4,045,249,829**
B] APPLICATION OF FUNDS			
(1) Fixed Assets	6		
(a) Gross Block		3,208,173,911	2,802,370,505
(b) Less: Accumulated Depreciation		439,695,668	318,560,419
Add : Goodwill on Consolidation		361,425,264	361,425,264
(c) Net Block		**3,129,903,507**	**2,845,235,350**
(2) Investments	7	243,860,680	225,210,974
(3) Current Assets, Loans and Advances			
(a) Inventory	8	336,163,278	308,237,272
(b) Sundry Debtors	9	802,204,126	487,698,191
(c) Cash and Bank Balances	10	74,042,378	28,724,447
(d) Other Current Assets	11	936,426,580	960,207,129
		2,148,836,362	**1,784,867,039**
Less : Current Liabilities and Provisions			
Current Liabilities	12	940,024,497	828,419,751
Provisions	13	66,054,094	30,175,542
		1,006,078,591	**858,595,293**
Net Current Assets		1,142,757,771	926,271,746
(4) Miscellaneous Expenses (Asset)	14	27,284,354	48,531,759
Significant Accounting Policies and Notes to Accounts	25		
TOTAL		**4,543,806,312**	**4,045,249,829**

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

(MOHAN R. GUJAR)
PARTNER
M. NO. 030305

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

PLACE : PUNE
DATE : *29th May, 2010*

NARAYAN BHAT
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2010

	Particulars	SCH. NO.	31.03.2010 (Rs.)	31.03.2009 (Rs.)
A]	**INCOME**			
	Gross Sales	15	4,747,464,970	3,831,570,342
	Less : Excise Duty		236,822,660	326,997,034
	Sales (Net)		**4,510,642,310**	**3,504,573,308**
	Miscellaneous Income	16	9,060,673	28,003,083
	Increase/ Decrease of Finished Goods	17	(10,635,911)	16,506,227
	TOTAL		**4,509,067,072**	**3,549,082,618**
B]	**EXPENDITURE**			
	Cost of Material Consumed	18	2,700,056,135	2,098,042,560
	Other Manufacturing Expenses	19	741,897,758	726,313,010
	Administrative Expenses	20	153,850,240	153,028,551
	Employment Cost	21	320,476,119	260,240,372
	Selling Expenses	22	46,809,416	20,641,523
	Preliminary & Miscellaneous Expenses written off	23	962,653	256,135
	TOTAL OPERATING EXPENSES		**3,964,052,321**	**3,258,522,151**
C]	**Consolidated Profit before Depreciation, Interest & Tax.**		**545,014,751**	**290,560,467**
	Interest and Financial Charges	24	110,080,129	80,254,589
	Consolidated Profit before Depreciation & Tax		434,934,622	210,305,878
	Amortization		22,264,458	10,272,164
	Depreciation	6	146,012,854	111,107,613
D]	**Consolidated Profit before Tax**		**266,657,310**	**88,926,101**
	Provision for Tax & Wealth Tax		35,106,936	12,743,074
	Provision for Fringe Benefit Tax			1,235,226
	Provision for Tax (Last Year Short Provision)		52,802	13,575
	Excess Provision Written Back			(140,000)
	Provision for Deferred Tax Liability (Net)		14,527,875	8,832,940
E]	**Consolidated Profit After Tax But Before**		**216,969,697**	**66,241,286**
	Deducting Minority Interest			
	Minority Interest		**11,002,087**	**19,401,149**
	Consolidated Profit For The Year Attributable		**205,967,610**	**46,840,137**
	To The Group			
	Balance Brought Forward		-	-
	Amount available for Appropriations		**205,967,610**	**46,840,137**
	Appropriations			
	Dividend (Incl. Dividend Tax) (Proposed Final)		28,558,407	14,279,204
	Transfer to General Reserve		13,500,000	1,200,000
F]	**Net Consolidated Profit transferred**		**163,909,203**	**31,360,933**
	To Reserve & Surplus			
	Earning per Share (Par Value Rs. 10 each)			
	Basic Earning		16.88	3.84
	Weighted Earning		16.88	3.99
	Weighted average number of Shares used in computing Weighted Earning		12,204,969	11,732,098
	Significant Accounting Policies and Notes to Accounts	25		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

(MOHAN R. GUJAR)
PARTNER
M. NO. 030305

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

PLACE : PUNE
DATE : *29th May, 2010*

NARAYAN BHAT
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

Cash Flow Statement for the year ended 31st March, 2010 (Consolidated)

	Particulars	31-Mar-10 Rs.	31-Mar-09 Rs.
A	**Cash Flow from Operating Activities**		
	Net Profit after Tax Before Dividend	205,967,610	46,840,137
	Adjustment for :		
	Depreciation	168,277,312	121,379,777
	Depreciation on Assets Deducted	(47,142,063)	(6,879,256)
	Amortisation of Miscellaneous Expenditure	962,653	256,135
	Deferred Tax Liability (Net)	16,631,129	8,675,423
	Operating Profit before Working Capital Changes	**344,696,641**	**170,272,216**
	Adjustment for :		
	Trade and Other Receivable	(290,725,386)	(726,374,208)
	Inventories	(27,926,006)	(52,420,556)
	Trade Payables and Other Payable	147,483,298	275,751,017
	Increase in Minority Interest	6,930,198	178,473,998
	Increase in Misc Expenses	20,284,752	(32,667,953)
	Capital Reserve on Consolidation	(39,490,872)	119,877,609
	Cash Generated from Operations	**161,252,625**	**(67,087,877)**
	Net Cash from Operating Activities	**161,252,625**	**(67,087,877)**
B	**Cash Flow from Investing Activities**		
	Acquisition of Fixed Assets (Net)	(405,803,407)	(391,899,796)
	Investments	(18,649,706)	(85,033,167)
	Net Cash from Investing Activities	**(424,453,113)**	**(476,932,963)**
C	**Cash Flow from Financing Activities**		
	Proceeds from Borrowings (Net)	340,126,329	210,883,796
	Equity Capital & Share Premium	(3,049,500)	310,954,790
	Dividend	(28,558,407)	(14,279,204)
	Net Cash from Financing Activities	**308,518,422**	**507,559,382**
	Net Increase in Cash & Cash Equivalent	45,317,931	(36,461,459)
	Cash & Cash equivalent as at 01.04.2009	28,724,447	65,185,907
	Cash & Cash equivalent as at 31.03.2010	74,042,378	28,724,447
	Net Increase / (Decrease) in Cash & Cash Equivalent	**45,317,931**	**(36,461,459)**

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR & ON BEHALF OF THE BOARD

(MOHAN R. GUJAR)
PARTNER
M. NO. 030305

SHIVAJI AKHADE
MANAGING DIRECTOR

M. RADHAKRISHNAN
JT. MANAGING DIRECTOR

PLACE : PUNE
DATE : *29th May, 2010*

NARAYAN BHAT
CHIEF FINANCIAL OFFICER

ASHUTOSH KULKARNI
COMPANY SECRETARY

Schedules Forming Part of Balance Sheet as at 31st March 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE " 1 " SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
2,50,00,000 Equity Shares of Rs. 10 each	250,000,000	250,000,000
TOTAL AUTHORISED SHARE CAPITAL	250,000,000	250,000,000
ISSUED, SUBSCRIBED AND PAID UP CAPITAL		
1,22,04,969 Equity Shares of Rs. 10 Each. (Prev. Year 12,204,969 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 588125 Equity Shares of Rs. 10 Each were issued for consideration other than cash.)	122,049,690	122,049,690
Share Warrants (Prev Yr. - 10,80,000 convertible warrants of Rs. 250/- each, Rs. 25 received)	-	27,000,000
TOTAL	**122,049,690**	**149,049,690**
SCHEDULE " 2 " RESERVES AND SURPLUS		
REVALUATION RESERVE		
Opening Balance	11,367,662	12,583,300
Less : Depreciation on Revalued Assets	384,704	1,215,638
Closing Balance	**10,982,958**	**11,367,662**
SHARE PREMIUM		
Opening Balance	1,416,999,676	1,129,912,886
Add : During the Year	(3,049,500)	287,086,790
	1,413,950,176	**1,416,999,676**
CAPITAL RESERVE		
Opening Balance	-	-
Add : Transferred During the Year	27,000,000	-
	27,000,000	**-**
GENERAL RESERVE		
Opening Balance	52,227,655	51,027,655
Add : Transferred During the Year	13,500,000	1,200,000
	65,727,655	**52,227,655**
PROFIT AND LOSS ACCOUNT	381,024,662	349,663,729
Add: During The Year	163,909,199	31,360,933
	544,933,861	**381,024,662**
EXCHANGE DIFFERENCE ON CONSOLIDATION	83,587,362	122,693,530
	83,587,362	**122,693,530**
TOTAL	**2,146,182,012**	**1,984,313,185**
MINORITY INTEREST		
Minority Interest - Capital	238,921,445	239,131,484
Minority Interest - Current Year's Profit	11,002,087	19,401,149
Minority Interest - Retained Earning	43,733,711	28,194,412
Minority Interest - Share Premium	93,675,052	93,675,052
TOTAL	**387,332,295**	**380,402,097**

Schedules Forming Part of Balance Sheet as at 31st March 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE " 3 " SECURED LOANS		
Kotak Bank Term Loan	-	44,898,733
Citibank Term Loan	62,500,000	112,500,000
State Bank Of India (Term Loan)	-	75,029,281
Loan At Butler	75,228,082	36,640,693
Citibank ECB Loan	286,997,920	372,502,056
Barclays Bank (FC CC)	-	89,478,436
Lasalle Bank (FC CC)	7,383,811	7,826,145
Barclays Bank (INR CC)	453,620,287	45,000,000
Citibank CC	-	19,961,134
Kotak Mahindra Bank CC	-	65,274,816
Working Capital Loan (USA Butler)	112,413,346	52,174,300
Tooling Loan (USA Butler)	35,213,989	-
State Bank Of India (Corporate Loan)	186,772,277	116,952,933
Union Bank of India Term Loan A/c No.146	75,700,051	-
DBS Bank Ltd	70,000,000	-
Tata Capital Ltd	32,085,453	-
HDFC Loan (Nuvent)	11,000,000	-
NKGSB Bank Term Loan	60,372,402	-
Vidya Sahakari Bank Ltd HP Loan	13,806,000	-
Vidya Sahakari Bank Ltd CC	2,532,411	-
NKGSB Bank CC A/C	44,395,172	-
[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/ Director of the Company.]		
Vehicle Loans		
HDFC Bank	146,645	261,107
Tata Motors Finance Ltd.	67,513	631,525
Cosmos Bank	310,362	389,166
[The above Loans have been secured by hypothecation of Vehicles owned by the Company.]		
TOTAL	**1,530,545,721**	**1,039,520,325**
SCHEDULE " 4 " UNSECURED LOANS		
Unsecured Loan (Sales Tax Deferral)	26,599,316	26,599,316
Unsecured Loan (Others)	194,708,529	336,194,306
Loan from Share Holders	60,318,810	69,732,100
TOTAL	**281,626,655**	**432,525,722**
SCHEDULE " 5 " DEFERRED TAX LIABILITY		
DEFERRED TAX LIABILITY	76,069,939	66,410,510
DEFERRED TAX ASSETS	-	6,971,700
DEFERRED TAX LIABILITY (NET)	**76,069,939**	**59,438,810**

CONSOLIDATED STATEMENTS OF ACCOUNTS OF AUTOLINE INDUSTRIES LIMITED GROUP

Schedules Forming Part of Balance Sheet as at 31st March 2010

SCHEDULE 6 : FIXED ASSETS :

Sr No	ASSET	RATE (%)	GROSS BLOCK						DEPRECIATION						NET BLOCK	
			AS ON 01.04.2009	ADJUSTMENT / EXCHANGE RATE FLUCTUATION	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2010	AS ON 01.04.2009	ADJUSTMENT / EXCHANGE RATE FLUCTUATION	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2010	AS ON 31.03.2010	AS ON 31.03.2009
1	LAND & DEVELOPMENT	-	110,704,615		13,448,316	-	-	124,152,931	1,669,633		-	-	-	1,669,633	122,483,298	109,034,982
2	BUILDING	3.34	574,183,555		84,852,588	-	335,868	658,700,275	42,741,342		19,478,568	-	335,868	61,884,042	596,816,233	531,442,213
3	PLANT & MACHINERY	4.75	858,257,450		141,340,651	10,856,655	9,055,351	979,686,095	107,545,988		41,979,526	2,025,576	548,446	146,951,492	832,734,603	750,711,462
4	TOOLS AND DIES	11.31	225,602,101		85,363,415	6,641,168	20,604,472	283,719,876	60,528,930		24,506,630	1,532,275	7,976,583	75,526,702	208,193,174	165,073,171
5	COMPUTERS AND SOFTWARES	16.21	66,604,871		21,497,127	-	-	88,101,998	35,599,741		10,243,241	-	-	45,842,982	42,259,016	31,005,130
6	ELECTRICAL FITTINGS	6.33	81,164,850		6,585,305	183,674	-	87,566,481	11,774,961		5,087,531	-	-	16,862,492	70,703,990	69,389,889
7	FURNITURE	6.33	21,091,078		783,871	-	-	21,874,949	5,570,163		1,501,571	-	-	7,071,734	14,803,215	15,520,915
8	VEHICLES	9.50	19,685,195		278,200	-	-	19,963,395	6,122,366		1,886,202	-	-	8,008,568	11,954,827	13,562,829
9	OFFICE EQUIPMENTS	7.07	10,134,700		1,763,845	-	290	11,898,255	2,540,752		758,899	-	30,513	3,269,138	8,629,117	7,593,948
10	CAPITAL WIP	-	420,061,374		286,744,196	207,514,909	-	499,290,661	-		-	-	-	-	499,290,661	420,061,374
11	R & D PROCESS DEVELOPMENT	-	183,343,268		23,794,370	-	-	207,137,638	12,975,585		20,915,440	-	-	33,891,025	173,246,614	170,367,683
12	TRADE MARK		13,320,500		13,300,000	-	-	26,620,500	2,662,638		5,337,862	-	-	8,000,500	18,620,000	10,657,862
13	DEP AUTOLINE USA		134,477,613	(18,413,932)			1,070,900	114,992,781	5,986,584	(819,738)	360,421			5,527,267	109,465,514	128,491,029
14	AUTOLINE INDUSTRIES USA INC.		73,467,170	(10,059,822)	21,060,728			84,468,076	12,569,571	(1,721,145)	14,341,668			25,190,095	59,277,982	60,897,599
	TOTAL		**2,792,098,340**	**(28,473,754)**	**700,812,613**	**225,196,406**	**31,066,882**	**3,208,173,911**	**308,288,254**	**(2,540,883)**	**146,397,558**	**3,557,851**	**8,891,410**	**439,695,668**	**2,768,478,243**	**2,483,810,085**
	Excess Depreciation on Revalued Assets charged to Revaluation Reserve										384,704					
	Depreciation charged to Profit and Loss Account							**-**			**146,012,854**					
	Previous year		**2,433,581,605**	**32,859,497**	**1,004,997,728**	**420,278,734**	**259,061,755**	**2,792,098,340**	**204,059,897**	**1,081,419**	**112,323,251**	**9,030,432**	**145,881**	**308,288,254**	**2,483,810,087**	**2,229,521,707**

Schedules Forming Part of Balance Sheet as at 31st March 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE " 7 " INVESTMENTS		
Quoted		
Bank of Baroda		
(1,660 Shares of Rs. 10 each @ Rs. 230 per Share)	-	381,800
DSPML T.I.G.E.R. Fund	-	390,225
HDFC	-	317,917
Mutual Fund	111,736	108,191
Reliance Growth Fund	-	732,064
Sundaram BNP Paribas Fund	-	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	241,527,594	221,442,497
Saraswat Bank	10,000	10,000
NKGSB Bank Equity Shares	200,000	-
Vidya Sahakari Bank Ltd Equity Shares	500,000	-
TOTAL	**243,860,680**	**225,210,974**
SCHEDULE " 8 " INVENTORY		
Finished Goods	31,502,192	37,066,153
Work-in-progress	61,353,622	72,834,239
Raw Material, Consumables & Bought outs	238,392,058	196,754,590
Stock In Transit	4,915,406	1,582,290
(As taken, valued and certified by the Management)		
TOTAL	**336,163,278**	**308,237,272**
SCHEDULE " 9 " SUNDRY DEBTORS		
(Unsecured and Considered Good)		
Less than 6 Months	760,943,019	447,296,006
More than 6 Months	41,261,107	40,402,185
TOTAL	**802,204,126**	**487,698,191**
SCHEDULE " 10 " CASH AND BANK BALANCE		
Cash in hand	1,724,921	8,276,231
Balance with Scheduled Banks	12,248,812	8,743,483
Balance with Non Scheduled Banks	33,087,694	5,653,943
Overseas Bank	26,980,952	6,050,790
TOTAL	**74,042,378**	**28,724,447**

Schedules Forming Part of Balance Sheet as at 31st March 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE " 11 " OTHER CURRENT ASSETS		
ADVANCES RECOVERABLE IN CASH OR IN KIND OR FOR THE VALUE TO BE RECEIVED		
Advance Income Tax & TDS	38,566,261	73,309,581
Excise , Service Tax Incl. Edu. Cess	139,238,166	128,740,694
Trade Deposits & Advance	1,787,268	4,860,805
Other Deposit	11,627,337	10,832,577
Fixed Deposits with Bank	49,542,369	2,772,247
EMD	53,760	60,098
Loan & Advances (Staff & Other)	75,218	328,134
Sales Tax Refund Receivable	480	480
Prepaid Expenses	3,543,299	2,696,175
Advance for purchase of Land	48,097,600	47,797,600
Other Current Asset	57,384,297	104,651,085
Land & Development	585,328,956	583,818,957
Loan & Advances	1,181,569	338,696
TOTAL	**936,426,580**	**960,207,129**
SCHEDULE " 12 " CURRENT LIABILITIES		
Sundry Creditors (for goods & Services)	738,495,969	645,717,565
Creditors for Capital Goods	109,353,312	101,621,635
OTHER CURRENT LIABILITIES :		
TDS Payable	7,709,036	10,860,087
Provident Fund Payable	138,150	308,778
Profession Tax Payable	180,415	93,065
Outstanding Expenses	46,586,366	52,086,996
Government Duties Payable	37,105,651	17,374,414
Unclaimed Dividend	455,598	307,532
Acquisition Cost Payable	-	49,679
TOTAL	**940,024,497**	**828,419,751**
SCHEDULE " 13 " PROVISIONS		
Provision for Income Tax & FBT	37,307,120	15,896,338
Dividend (Incl. Dividend Tax) Payable	28,746,974	14,279,204
TOTAL	**66,054,094**	**30,175,542**
SCHEDULE " 14 " MISCELLANEOUS EXPENSES (ASSET)		
Miscellaneous & Preliminary Expenses	4,002,770	13,458,613
Acquisition Cost	23,281,584	35,073,146
TOTAL	**27,284,354**	**48,531,759**

Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE " 15 " SALES		
Sales (Including Trading Sales & Excise Duty)	4,670,993,373	3,757,713,814
Engineering Services - Domestic	23,568,513	13,519,908
Engineering Services - Export	39,551,525	35,808,469
Sale - Education, Industry, AMC	13,351,559	24,528,151
	4,747,464,970	**3,831,570,342**
SCHEDULE " 16 " MISCELLANEOUS INCOME		
Interest Received	5,158,618	8,272,659
Misc. Income	3,269,053	14,236,687
Profit on sale of Fixed Assets	-	213,881
Profit on sale of Investments	629,457	-
Sundry Balances Written Back & Discount Received	-	580,030
Dividend Received	3,545	4,699,826
	9,060,673	**28,003,083**
SCHEDULE " 17 " INCREASE/ DECREASE IN FINISHED GOODS		
Opening Stock	37,066,153	20,559,926
Closing Stock	26,430,242	37,066,153
Change In Stock	**(10,635,911)**	**16,506,227**
SCHEDULE " 18 " COST OF MATERIAL CONSUMED		
Opening Stock	271,171,119	235,256,790
Purchases (Raw Material, Consumables, Trading goods, Stores and Spares)	2,738,618,052	2,133,956,889
Closing Stock	309,733,036	271,171,119
MATERIAL CONSUMED	**2,700,056,135**	**2,098,042,560**
SCHEDULE " 19 " OTHER MANUFACTURING EXPENSES		
Labour Charges	182,340,920	137,580,832
Power And Fuel	65,507,753	56,384,238
Transport And Octroi	93,153,172	97,814,864
Sales Tax And Duties	297,166,491	282,185,203
Cost of Revenue & Other Direct Expenses	61,157,082	111,629,672
Labour Welfare	42,572,340	40,718,201
TOTAL	**741,897,758**	**726,313,010**

Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE " 20 " ADMINISTRATIVE COST		
A.G.M. / E.G.M. Expenses	7,810	74,741
Account Writing Charges	136,072	121,365
Advertisement Expenses	650,678	2,343,815
Books and periodicals	434,148	261,009
Bad debts w/off	-	1,371,930
Commission to Non Executive Directors	1,600,000	720,000
Directors Sitting Fees	845,000	530,000
Donations	174,599	174,444
Electricity, Power & Fuel Charges	1,177,336	1,146,901
Foreign Fluctuation Loss	(7,468,726)	(3,085,349)
Hire Charges	514,179	704,774
Insurance	19,272,277	15,552,502
Internet Charges	316,443	339,996
Job Work Charges	260,080	240,001
Legal and Professional Charges	13,850,076	9,505,667
License Fees & Filing Fees	10,072	7,125
Management Fees	1,685,400	3,185,400
Membership and Subscription	195,141	548,005
Office & Misc. Expenses	5,010,452	4,255,341
Outside Services	9,216,888	6,449,089
Payment to Auditors (Internal/Statutory)	1,721,180	3,458,203
Payroll Tax Expenses (USA)	14,219,150	11,049,015
Other Charges	83,720	121,440
Postage and Telephone	9,622,114	8,707,476
Printing and Stationery	6,507,863	4,189,353
Rent, Rates and Taxes	11,171,296	23,598,970
Repairs and Maintenance	33,734,468	29,376,328
Research & Development Expenses	2,754,271	1,422,980
Sales Tax Assessment Dues	-	394,645
Security Charges/Service charges	6,562,299	5,615,203
STPI Expenses	100,000	-
Sundry Balances written off	93,104	131,370
Testing & Inspection Charges	1,279,842	930,353
Travel and Conveyance	14,488,629	15,739,975
Vehicle Expenses	1,629,039	1,513,988
Vehicle Hire Charges	38,795	405,596
Water Charges	1,679,087	1,678,083
Weighing Charges	277,458	248,817
	153,850,240	**153,028,551**

Schedules Forming Part of Profit & Loss Account for the year ending on 31st March 2010

Particulars	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.
SCHEDULE " 21 " EMPLOYMENT COST		
Wages, Salaries And Bonus	314,844,010	256,950,741
Staff Welfare	4,923,923	3,231,320
PF Administrative Expenses	708,186	58,311
	320,476,119	**260,240,372**
SCHEDULE " 22 " SELLING EXPENSES		
Sales Promotion Expenses	4,375,628	5,282,187
Discount & Rate Diff (Net)	39,729,732	9,364,203
Discount & Rate Diff (Others)	2,682,496	5,325,123
Business Development	21,560	24,500
Warranty Expenses	-	645,510
	46,809,416	**20,641,523**
SCHEDULE " 23 " MISCELLANEOUS EXPENSES WRITTEN OFF		
Pre-Operative Expenses	962,653	256,135
	962,653	**256,135**
SCHEDULE " 24 " INTEREST AND FINANCIAL CHARGES		
Bank Charges / Commission	21,857,021	3,082,089
Interest on Term Loan	39,284,991	24,416,588
Interest Paid (Vehicle Loans)	-	543,358
Interest on Working Capital	58,282,858	42,043,402
Interest Paid (Others)	(20,174,720)	9,607,352
Term Loan Processing Charges	1,050,020	561,800
LC Charges	9,779,959	-
	110,080,129	**80,254,589**

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, 2010. 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 INC 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 asset 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 in the books of account of Autoline Industries Ltd. and Nirmiti Autocomponents Pvt. Ltd.
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. **Taxes on Income** :
   a) Indian Companies-income-tax expenses comprise current tax and deferred tax.
   b) Provision is made for the current tax including wealth 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 virtually 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 31-03-2010 Proportion of Ownership Interest either directly or through subsidiary	As at 31-03-2009 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%	100.00%
iv) Autoline Industrial Parks Ltd.	India	51.12%	51.12%
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. Autoline Industries Limited has Invested Euro 3.05 Million Plus Incidental expenses (Bal on 31.03.2010 in INR Rs. 24,15,27,594.) in Wholly owned Subsidiary Koderat Investments Ltd. (Cyprus). In turn subsidiary utilized the same for investment in SZ Design, Srl and Zagato Srl Milan Italy. SZ Design Srl and Zagato Srl Milan Italy has issued 49% of equity shares to Koderat Investments Ltd. (Cyprus). SZ. Design, Srl is undergoing financial restructuring as the net worth of the company has been eroded due to various financial write offs. Further one of the creditors has filed the case of Bankruptcy against the company in Italy which has since been settled.

At the meeting of the shareholders Mr. Andrea Zagato, the original promoter of SZ Design Srl Italy has been appointed as liquidator as per Italian Law on 19/10/ 2009 to enable him to continue as a going concern and take steps to revive the company. In view of the above developments the realisability of the above investment by Koderat Investments Limited in SZ Design Srl Italy is highly uncertain. As the meeting of the share holders of S.Z. Design SRL Italy has been scheduled in first week of June 2010 the decision of diminishing / write off the investment will be taken after this meeting. Hence the diminishing in value of investment is not considered in the current financial year.

3. **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.87,00,00,000/- (Previous Year Rs. 67,00,00,000/-), bifurcation as follows:-

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

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. 1,00,00,000/-)

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/-)

iv. In ADSL estimated amount of contract on capital account remaining to be executed and not provided for Rs. 1,00,00,000/-.(Previous Year Rs. 1,00,00,000/-)

4. **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 was to be completed up to 23/05/2010, however we have applied for a further extension for which we have not received any reply from the concerned authority. Amount due up to 31.03.2010 can not be worked out hence the liability for the year ending on 31.03.2010 is not defined. Export obligation up to 31.03.2006 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. Contingent Liability on account of

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

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

iv. Corporate Guarantee not exceeding USD 53,50,000 given to Autoline Industries Indiana LLC, USA. In favour of Tower Bank & Trust Company:

Long Term Loan	–	USD 1,303,094.76
Short Term Loan	–	USD 314 484.44
Working Line of Credit	–	USD 24,96,404.54
Tooling Line of Credit.	–	USD 999,509.00
		USD 5,113,492.74

v. Corporate Guarantee of Rs. 15,00,00,000/- given to NKGSB Co-operative Bank Ltd. and Vidya Sahakari Bank Ltd, 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. 65.00 Crores)

c) In case of ADSL:

i. Bank Guarantee – On Account of Bank Guarantee Rs. 3,50,000/- (Previous Year Rs. 3,05,000/-)

a) Unpaid Dividend on 12% Cumulative Redeemable Preference Shares for the year 2007-08, 2008-09 & 2009-10 is Rs. 50,86,533/- (Rs. 16,95,511/- for each year)

d) In case on Nirmiti : Corporate guarantee given to General Motors Ltd. Rs. 76,53,910/-. Previous Year Rs. 76,53,910/-)

5. **Earnings Per Share :** Disclosures as required by Accounting Standard (AS) 20 Earning Per Share**.**

Amount In Rs.

	Particulars	2009-10	2008-09
(a)	Profit for the year after tax and Minority Interest	20,59,67,607	4,68,40,137
(b)	The weighted Average number of equity shares of Rs. 10 Each	1,22,04,969	1,17,32,098
(c)	Earning per Share (On weighted Average)	16.88	3.99
(d)	Earning per Share (On Basic & Diluted)	16.88	3.84

6. **Foreign Currency Transactions :**

The net exchange fluctuations Profit of Rs. 74,68,726/- has been credited to the profit & Loss account.

7. **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 - Non-Executive Director (till 20/03/2010)
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 (till 30/09/2009)
8. Mrs. Pranita Shrotri -Relative of 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 INC 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	1,04,01,190	-
Commission to Non Executive / Independent Directors	16,00,000/-	-
Independent Directors Sitting Fees	8,45,000/-	-
Other Remuneration/ Professional Charges	19,85,400/-	-
Car Hire Charges	38,795/-	-
Labour Charges & Material Supply (Purchase)	-	6,41,31,163/-
Sale of Material	-	19,33,89,451/-
Rent payment	-	36,05,400/-
Computer Aided Services	-	2,20,48,925/-
Interest Paid (Autoline)	-	2,06,01,620/-
Management Fees	-	1,04,63,500/-
Payment to Nirmiti for Goodwill	-	1,33,00,000/-
Loan taken	-	17,47,25,978/-
Transportation	-	76,05,299/-

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 the 2nd 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	43114.31	1992.12	45106.42
Total Segment Revenue	43495.06	2015.25	45510.31
Results (Profit before Financial Expenses, Depreciation)	4970.18	474.57	5444.75
Less : Financial Expenses	1092.21	8.60	1100.80
Depreciation	1392.33	290.44	1682.77
Current Tax	276.03	69.64	345.68
Tax Short Provision For Last Year	-	0.53	0.53
Excess Provision written back	-	-	-
Deferred Tax	140.35	4.93	145.28
Net Profit	2069.26	357.09	2203.71
Segment Assets	37492.09	7945.98	45438.06
Segment Liabilities	33223.50	12214.56	45438.06
Fixed Assets	30056.95	2024.78	32081.74
Depreciation	3857.21	539.74	4396.96
Investments	2437.49	1.12	2438.61
Current Assets	13495.26	7646.14	21141.40
Current Liabilities	9148.95	564.87	9713.82
Secured Loans	15121.62	183.84	15305.46
Unsecured Loans	2193.05	623.22	2816.27
Proposed Dividend Including Tax	285.58	-	285.58

B. Secondary Segment (Geographical Segment) :

Particulars	Domestic	Overseas	Total
a) The Distribution of Sales : Sales and Services Revenue	34,087.29	11,019.13	45106.42
b) The location of tangible/intangible fixed assets :			
Tangible Assets (Gross block)	29820.93	1994.61	31815.54
Intangible Assets (Gross block)	266.21	-	266.21

10. 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 — **FOR & ON BEHALF OF THE BOARD**

CHARTERED ACCOUNTANTS

(MOHAN R. GUJAR) — **SHIVAJI AKHADE** — **M. RADHAKRISHNAN**

PARTNER — *MANAGING DIRECTOR* — *JT. MANAGING DIRECTOR*

M. NO. 030305

PLACE : PUNE — **NARAYAN BHAT** — **ASHUTOSH KULKARNI**

DATE : *29th May, 2010* — *CHIEF FINANCIAL OFFICER* — *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 31.3.2010		Net aggregate amount of Profit / (loss) of the Subsidiary for the financial year ended 31.3.2010 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 31.03.2010	
			Number & face value	Extent of Holding (%)	Dealt with in the accounts of the Company for the year ended 31.3.2010	Not dealt within the accounts of the Company for the year ended 31.3.2010	Dealt with in the accounts of the company for the year ended 31.3.2010	Not dealt within the accounts of the company for the year ended 31.3.2010
1.	Western Pressing Limited	31.3.2010	13,00,000 fully paid up equity shares of Rs. 10/- each	100%	771,543	NIL	NIL	18,00,000
2	Autoline Design Software Limited	31.3.2010	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%	783,869	NIL	NIL	1,01,61,138
3	Nirmiti Auto components Private Ltd	31.3.2010	1,92,062 fully paid up equity shares of Rs. 100/- each	100%	50,40,927	NIL	NIL	76,56,133
4	Autoline Industrial Parks Ltd	31.3.2010	2,48,24,994 fully paid up equity shares of Rs. 10/- each	51.12%	5,749,641	5,497,701	NIL	2,03,36,141
5	Nuvent Technologies Private Limited	31.3.2010	25,500 fully paid up equity shares of Rs. 10/- each	51%	332,912	319,856	NIL	2,63,45,040
6	DEP Autoline INC. USA	31.12.2009	30,600 Stock/ Shares of $ 1 each fully paid	51%	53,96,144	51,84,530	NIL	NIL
7	Autoline Industries INC USA	31.3.2010	1,00,000 Shares/ Stock of $ 1 each fully paid	100%	2,342,661	NIL	NIL	NIL
8	Koderat Investments Limited, Cyprus	31.3.2010	1,000 Shares/ Stock of Euro 1 each fully paid	100%	(31,19,041)	NIL	NIL	NIL

Place : *Pune*
Date : *29th May, 2010*

FOR AND ON BEHALF OF THE BOARD

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Jt. Managing Director

ASHUTOSH KULKARNI
Company Secretary

NARAYAN BHAT
Chief Financial Officer

Details of Balance Sheet and Profit and Loss Account of Subsidiary Companies for the year Ended 31.03.2010

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 INC, USA	KODERAT INVESTMENTS LIMITED
1	Share Capital	35,537,420	13,000,000	485,602,500	19,206,200	500,000	40,527,090	2,701,806	60,550
2	Reserve and Surplus	10,000,000	12,494,264	285,932,232	22,712,009	9,042,557	54,468,603	80,916,810	(3,269,586)
3	Total Assets	69,509,184	25,494,264	771,534,732	216,958,328	22,545,867	448,711,778	164,090,467	238,318,558
4	Total Liabilities	23,971,764	-	-	175,040,119	13,003,310	353,716,085	80,471,851	241,527,594
5	Details of Investment	-	-	-	-	-	-	-	-
	Government	-	-	-	-	-	-	-	-
	Securities	-	-	-	-	-	-	-	-
	Shares (Excluding Subsidiaries)	-	-	-	842,800	86,403	-	-	-
	Mutual Funds	-	-	111,736	-	-	-	-	-
6	Turnover and Other Income	48,891,143	1,814,664	20,339,686	761,872,389	27,675,549	979,281,802	123,230,027	-
7	Profit before taxation	1,140,869	912,543	17,037,342	6,875,927	762,768	58,221,919	11,639,824	(3,119,041)
8	Provision for taxation	357,000	141,000	5,790,000	1,835,000	110,000	2,342,661	1,059,150	-
9	Profit after taxation	783,869	771,543	11,247,342	5,040,927	652,768	55,879,258	10,580,258	(3,119,041)
10	Proposed Dividend	-	-	-	-	-	-	-	-

Notes:-

1 **in respect of foreign subsidiaries:**

a) For DEP Autoline INC USA & Autoline Industries USA INC: Item Nos. 1 to 5 are translated at exchange rate as on 31st March 2010 - USD $ = Rs. 45.03

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

i) For DEP Autoline INC USA: at quarter end average exchange rate : USD $ = Rs. 46.07

ii) For Autoline Industries USA INC: at month end average exchange rate : USD $ = Rs. 46.87

c) Item Nos. 1 to 9 with regard to Koderat Investments Ltd are translated at exchange rate as on 31st March, 2010 - Euro = Rs. 60.55

2 The above details have been annexed in terms of Letter No. 47/419/2010 –CL-III dated 17th May, 2010 issued by Government of India,Ministry of Corporate Affairs, New Delhi under Section 212(8) of the Companies Act, 1956.

AUTO LINE

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

L34300PN1996PLC104510

Balance Sheet Date 31-03-2010

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

Public Issue: NIL

Rights Issue: NIL

Bonus Issue: NIL

Private Placement: NIL

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

Total Liabilities: 34820.56

Total Assets: 34820.56

Source of Funds

Paid-up Capital: 1220.50

Reserves & Surplus: 17413.23

Secured Loans: 11676.91

Unsecured Loans: 3861.01

Deferred Tax Liability: 648.91

Application of Funds

Net fixed Assets: 22824.87

Investments: 8749.36

Net Current Assets: 3240.34

Misc. Expenditure: 5.99

Accumulated Loss: NIL

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

Turnover: 28257.04

Total Expenditure: 24459.10

Profit before Tax: 1731.32

Profit after tax: 1351.32

Earnings per share (in Rs.): 11.07

Dividend Rate %: 20.00

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

AUTOLINE

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 14th Annual General Meeting of the Company at S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka -Khed, Dist-Pune- 410 501 on Friday, 24th September, 2010 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.

TEAR HERE

AUTOLINE

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 14th Annual General Meeting of the Company to be held on Friday, 24th September, 2010 and / or at any adjournment thereof.

Ledger Folio / ID No.		No. of Shares	

Signed this _____ day of _____ 2010.

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

TEAR HERE

AUTOLINE

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 _____

Tear Here

DESIGNED AND DEVELOPED PEDAL SYSTEMS FOR OEM

DESIGNED AND DEVELOPED JACKS FOR VARIOUS CUSTOMERS

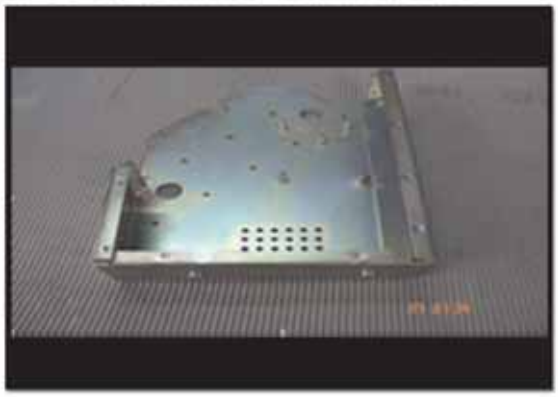
DESIGNED AND DEVELOPED TRANSFER CASE TOOLING FOR OEM IN USA

PARKING BRAKE LEVER STYLING FOR OEM

EXPORTS TO NORTH AMERICA

FULL SKID ASSEMBLY & READY TO LOAD INTO CONTAINER

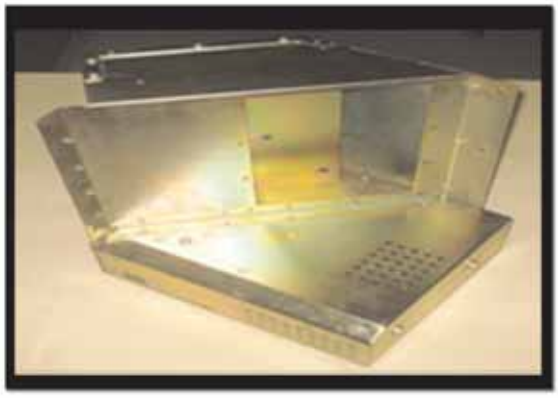
DOOR CONTROL



BRACKET CHASSIS FILTER

AIR BAFFLE ASSEMBLY

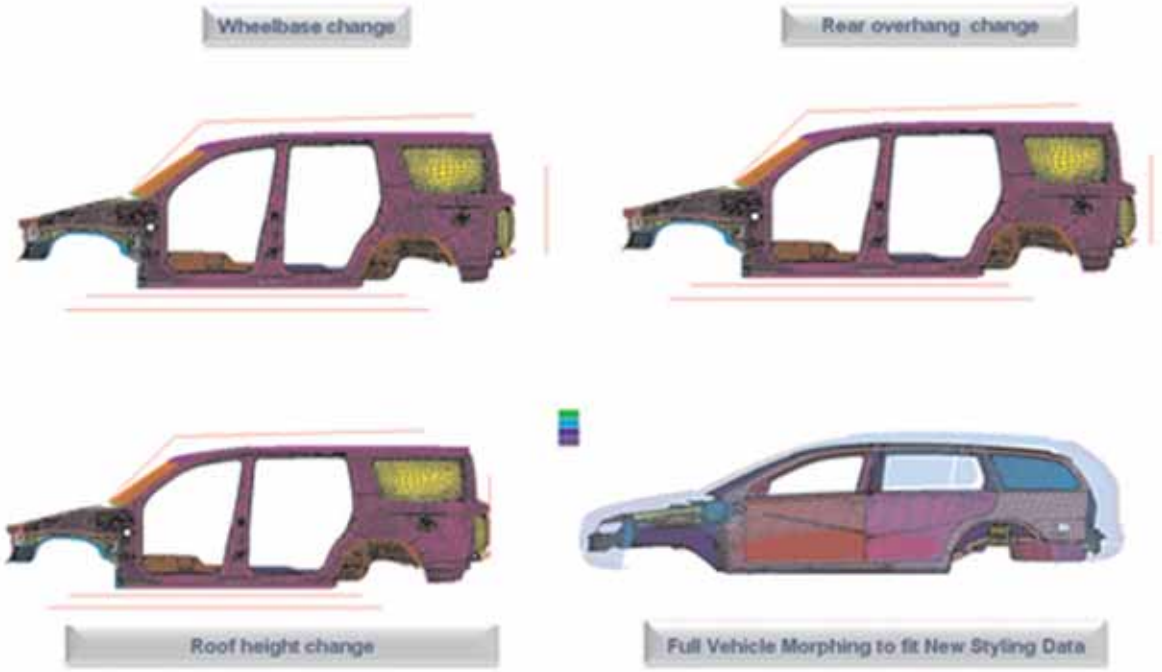
BOX CONTROL



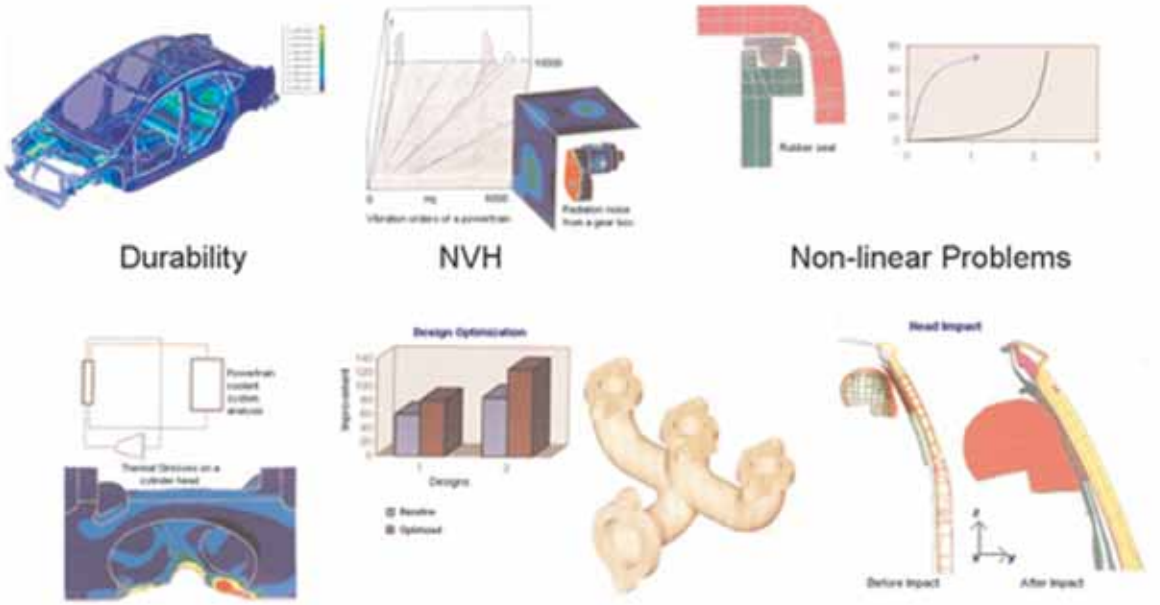
INVERTER ASSEMBLY

AIR PRE-CLEANER

Product Development / Early Stages



Computer Aided Engineering (CAE)



Automotive Body engineering