

17TH ANNUAL REPORT 2013



CHAKAN 'II', Pune, India
6,28,384 Sq. Ft.
Production and Tool Manufacture



Plot No. 5, Uttarakhand, India
87,865 Sq. Ft.
Manufacturing



Plot No. 6, Uttarakhand, India
87,801 Sq. Ft.
Manufacturing



Plot No. 8, Uttarakhand, India
84,832 Sq. Ft.
Manufacturing



Autoline Industries, Inc,
Butler, Indiana, USA
7,58,113 Sq. Ft.
Manufacturing



Plot No. 180-D,
Dharwad, Karnataka,
India,
5,000 Sq. Ft.
Manufacturing



Bhosari, Pune, India
22,381 Sq. Ft.
Manufacturing

Mr. Vilas Lande
Chairman Emeritus

BOARD OF DIRECTORS

Mr. Prakash B. Nimbalkar
Non-Executive Chairman (Independent)

Mr. Shivaji T. Akhade
Managing Director

Mr. M. Radhakrishnan
Managing Director & CEO

Mr. Sudhir V. Mungase
Whole Time Director

CA Vijay K. Thanawala
Independent & Non - Executive Director

Mr. Amit K. Goela
Non - Executive Director

Prof. Abraham Koshy
Independent & Non - Executive Director
(Resigned with effect from 18th May, 2013.)

CA. Ravi E. Ketkar
Chief Financial Officer

Mr. Ashutosh B. Kulkarni
Company Secretary

Auditors

K V M D S & Associates,
Chartered Accountants, Pune.

Internal Auditors

CMRS & Associates,
Chartered Accountants, Pune

Cost Auditors

Mr. S. G. Jog.
Cost Accountants, Pune.

REGISTERED OFFICE.

S. Nos. 313, 314, 320 to 323 Nanekarwadi,
Chakan, Taluka- Khed, District- Pune 410501

BANKERS.

1. Bank of Baroda.
2. The Catholic Syrian Bank Ltd.
3. Axis Bank Ltd.
4. NKGSB Co-op Bank Ltd.
5. Vidya Sahakari Bank Ltd.
6. Tata Capital Financial Services Limited.

FACTORY / UNITS

- 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, Chakan, 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, and 8 Sector 11, IIE, TML Vendor Park, SIDCUL, Rudrapur, Uttarakhand - 263153
- 9) Plot No 180-D, 186A, Belur Industrial Area Growth Centre, Industrial Area Garag, Opp. High Court, Dharwad, 580011, Karnataka.
- 10) 2/86, 7th Avenue, Ashok Nagar, Chennai - 600 083.

FOREIGN UNITS

- 1) Autoline Industries USA, Inc: 100, Commerce Street, Butler, IN. 46721 USA
- 2) Autoline Stampings Limited - 431 - 809 779, Gwanyang-dong, Dong-an-gu Anyang-si, Gysonggi-do, South Korea
- 3) DEP Autoline, INC.USA : 560 Kirts Blvd., Suite 103, Troy, Michigan - 48084, USA
- 4) Koderat Investments Limited - Griva Digeni 115, Trident Centre, 3101, Limassol, Cyprus
- 5) SZ Design, Srl & Zagato, Srl - Via Arese, 30 - 20017, Terrazzano di Rho (MI) - Italy.

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

Block 202, 2nd Floor, Akshay Complex,
Off Dhole Patil Road, Near Ganesh Mandir,
Pune-411001,
Phone: (020) - 26161629, 26160084
Fax: 020 26163503
Email address: pune@linkintime.co.in
Web: www.linkintime.co.in

17TH ANNUAL GENERAL MEETING

Date: Thursday, 26th September, 2013.

Time: 2.30 p.m.

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

KEY MANAGEMENT TEAM

Mr. Digambar C. Pargaonkar	Chief Operating Officer (Operations)
Mr. Rajendra Dhas	Plant Head- Chakan I
Mr. Yogesh Ghodekar	Plant Head- Chakan II
Mr. Ganesh Avhad	Plant Head- Chakan III
Mr. Manoj Bhaiswar	Plant Head- Bhosari I
Mr. Faiyaz Kashi	DGM- Development, Marketing and Plant Head- Bhosari II
Mr. Santosh Kasture	Plant Head- Pimpri
Mr. Dattatraya Kute	GM- New Product Development and Plant Head - Uttarakhand
Mr. Yusuf Khan Airani	Dy. Plant Head -Dharwad, Karnataka
Mr. Satyanarayan Avindala	GM- Maintenance
Mr. Rajendra Melkania	DGM- HR and Admin, Uttarakhand
Mr. Vijendra Bagade	DGM- Q.A.
Mr. G. V. Rangaraju	DGM- Tool Room
Mr. Satish Satpute	AGM - Material Pricing
Mr. Sanjeev Devadkar	AGM- Raw Material
Mr. Sanjay Chalke	AGM- Excise
Mr. Rahul Chorghe	AGM - HR and Admin (Corporate)

AUTOLINE DESIGN SOFTWARE LTD, PUNE

Mr. Lakshmanan Nagarajan	Chief Executive Officer
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AUTOLINE INDUSTRIES USA, INC

Mr. Srinath Bramadesam	President
Ms. Rachel Shupe	Chief Financial Officer

FINANCIAL HIGHLIGHTS OF LAST FIVE YEARS (CONSOLIDATED)

(₹ In Millions except share data)

PARTICULARS	2012-13	2011-12	2010-11	2009-10	2008-09
OPERATING RESULTS					
Sales and Other Income	8051.81	7506.74	6660.73	4509.07	3549.08
Profit Before Depreciation, } Interest & Tax }	624.64	788.31	726.12	545.01	290.56
Less: Depreciation	230.75	210.52	186.64	168.28	121.38
Finance cost	374.84	311.61	185.47	110.08	80.25
Profit before Tax (PBT)	87.56	470.04	354.01	266.66	88.93
Profit after Tax (PAT)	106.71	394.89	282.06	216.97	66.24
Retained Earnings	1041.98	947.26	754.63	544.93	381.02
APPLICATION OF FUNDS					
Net Fixed Assets	3098.83	3014.70	3587.33	3129.90	2845.24
Investments	664.23	655.39	247.33	243.86	225.21
Net Working Capital	1811.07	1829.70	1407.42	1142.76	926.27
Total	5574.13	5499.79	5242.08	4516.52	3996.72
SOURCES OF FUNDS					
Share Capital	122.49	122.05	147.05	122.05	149.05
Reserves	2524.44	2481.87	2338.08	2146.18	1984.31
Minority Interest	374.88	377.28	431.41	387.33	380.40
Capital Reserve on Consolidation	140.26	67.36	-	-	-
Total Shareholder's Fund	3162.07	3048.56	2916.54	2655.56	2513.76
Borrowings	2460.98	2454.54	2275.69	1812.17	1472.05
Deferred Tax Adjustments	125.36	115.82	88.44	76.07	59.44
Total	5748.41	5618.92	5280.67	4543.80	4045.25
OTHERS					
Face Value of Share	10	10	10	10	10
Number of Issued Shares	12249465	12204969	12204969	12204969	12204969
Earnings Per Share (EPS)	9.81	33.41	22.40	16.88	3.84
Dividend (%)	10%	40%	30%	30%	10%

CONTENTS

	Page Nos.
1 Notice	6
2 Directors' Report	8
3 Management Discussion and Analysis	19
4 Corporate Governance Report	25
5 Standalone Financials	
• Independent Auditors' Report	39
• Balance Sheet	42
• Profit and Loss Account	43
• Cash Flow Statement	44
• Notes to Accounts	45
6 Consolidated Financials	
• Independent Auditors' Report	68
• Balance Sheet	70
• Profit and Loss Account	71
• Cash Flow Statement	72
• Notes to Accounts	73
7 Statement under Section 212 of the Companies Act, 1956	97
8 Details of Balance Sheet and Profit and Loss of subsidiary companies	98
9 Attendance slip / proxy form	

NOTICE

NOTICE is hereby given that the Seventeenth Annual General Meeting of Members of Autoline Industries Limited will be held on **Thursday, 26th September, 2013 at 2.30 p.m.** at Survey Nos. 291 to 295, Nanekarwadi, Chakan, Tal- Khed, Dist. Pune 410501 to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Profit & Loss Account for the financial year ended on that date together with the reports of the Directors and Auditors thereon;
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2013;
3. To appoint a Director in place of Mr. Amit Goela who retires by rotation and being eligible, offers himself for re-appointment;
4. To appoint Auditors and fix their remuneration.

By Order of the Board of Directors

Place : Pune
Date : 18th May, 2013.

(Ashutosh Kulkarni)
Company Secretary

NOTES:

1. A MEMBER, ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED AT THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.
2. Proxies submitted on behalf of limited companies, societies, bodies corporate etc. must be supported by appropriate resolution or authority as applicable.
3. Annual Report of the Company is also available on the Company's website at www.autolineind.com.
4. The Ministry of Corporate Affairs (MCA), Government of India through its circular Nos. 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively, has allowed the companies to send official documents to their Shareholders electronically as a part of green initiatives in Corporate Governance. A recent amendment to the Listing Agreement with the Stock Exchange permits companies to send soft copies of the Annual Report to all those Shareholders who have registered their e-mail address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.
5. In terms of Article 97 of the Articles of Association of the Company, read with Section 256 of the Companies Act, 1956 Mr. Amit Goela Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.
6. Brief resume of Director, proposed to be appointed/re-appointed, nature of his expertise in specific functional area, names of companies in which he 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.
7. The Register of Members and the Share Transfer Books of the Company will be closed from Saturday, 21st September, 2013 to Thursday, 26th September, 2013 (both days inclusive).
8. 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 form are requested to intimate the above said changes to the Company's Registrar and Transfer Agents (R&T Agents) LINK INTIME INDIA PVT. LTD., Block No. 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Pune 411001.
9. As per Securities and Exchange Board of India (SEBI) notification, submission of Permanent Account Number (PAN) is compulsorily required for participating in the securities market, deletion of name of deceased Shareholder or transmission /transposition of shares. Members holding shares in dematerialised mode are requested to submit the PAN details to their Depository Participant, whereas Members holding shares in physical form are requested to submit the PAN details to the Company's Registrar and Transfer Agents.
10. 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.
11. Members/ Proxies are requested to bring Annual Report and attendance slip duly filled in.
12. Members holding shares in multiple folios in the identical order of names are requested to consolidate their

ANNUAL REPORT - 2013

holdings into one folio and intimate the same to our R&T Agents.

13. 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.
14. The dividend, as recommended by the Board, if declared at the Annual General Meeting will be paid on or after Thursday, 26th September, 2013 to those persons or their mandate :
 - a) Whose names appear as Beneficial Owners as at the end of the business hours on Friday, 20th September, 2013 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's Registrar and Transfer Agents on or before Friday, 20th September, 2013.
15. 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.
16. Documents referred to in any of the items of the notice are available for inspection at the Registered Office of the Company up to Wednesday, 25th September, 2013 on all working days, except Sundays, during business hours of the Company.
17. Unclaimed Dividends :

The dividends which remain unclaimed/ un-cashed over a period of 7 years have to be transferred by the Company to Investor Education & Protection Fund, constituted by the Central Government under Section 205(A) and 205(C) of the Companies Act, 1956.

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

Date of declaration of dividend	Date of dividend warrant	Dividend for the year	Dividend Per share	Due date of the proposed transfer to the Central Government
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
24.09.2010	05.10.2010	2009-10	2.00	23/09/2017
30.12.2011	12.01.2012	2010-11	3.00	29/12/2018
27.09.2012	08.10.2012	2011-12	4.00	26/09/2019

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-cashed dividend warrants to the Registered Office of the Company for revalidation and en-cash them before the due date for transfer to the Central Government.

**By Order of the Board of Directors
For AUTOLINE INDUSTRIES LIMITED**

**Place : Pune
Date : 18th May, 2013.**

**ASHUTOSH KULKARNI
COMPANY SECRETARY**

DIRECTORS' REPORT

(Including Management Discussion and Analysis Report)

Dear Member(s),

Your Directors are pleased to present their 17th Annual Report on the business and operations of the Company together with the Audited Financial Statements for the year ended 31st March, 2013.

FINANCIAL RESULTS:

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

(` in Millions except EPS data)

PARTICULARS	Standalone		Consolidated	
	31.3.2013	31.03.2012	31.3.2013	31.03.2012
Revenue from operations (Net)	5733.27	5837.09	8006.85	7480.03
Earnings before Interest, Financial Charges, Depreciation, Tax & Amortisation- EBITDA	419.58	652.20	624.64	788.31
Less: Finance Cost	344.66	286.25	374.84	311.61
Less: Depreciation & amortization expenses	198.50	194.58	230.75	210.52
Add: Exceptional items	68.51	203.86	68.51	203.86
Profit Before Tax	(55.07)	375.23	87.56	470.04
Tax Expense	(64.71)	40.50	(19.15)	75.15
Profit After Tax but before deducting minority interest (PAT)	9.64	334.73	106.71	394.89
Less : Minority Interest	----	-----	(2.39)	(1.86)
Profit Attributable to group	----	-----	109.10	396.75
Earnings per Share (Basic) (in `)	1.67	28.33	9.81	33.41
Earnings per Share (Diluted) (in `)	0.78	27.21	8.87	32.25

DIVIDEND:

The Board of Directors have recommended a dividend of ` 1/- per equity share (i.e.10 %) amounting to ` 14.34 Millions including Dividend Distribution tax, (Previous Year ` 4.00 per equity share (i.e.40%) amounting to ` 56.74 Millions including Dividend Distribution tax.)

PERFORMANCE REVIEW (CONSOLIDATED BASIS):

- Revenue from operations (Net) increased by 7.04 % from ` 7480.03 Millions to ` 8006.85 Millions.
- Operating EBITDA (Earnings before Interest, Financial Charges, Depreciation, Tax & Amortisation) decreased by 20.76 % from ` 788.31 Millions to ` 624.64 Millions.
- Profit before Tax (PBT) decreased by 81.37 % from ` 470.04 Millions to ` 87.56 Millions.
- Profit after Tax (PAT) decreased by 72.97 % from ` 394.89 Millions to ` 106.71 Millions.

OVERVIEW OF PROGRESS AT VARIOUS PLANTS:

A) Manufacturing facility at Chakan Unit II – Nanekarwadi, Chakan, India:

This particular plant has large press capacity varying from 500 Ton to 2000 Ton, inclusive of two nos. 1,000 Ton Double Action Press Machines. During the financial year under review, your Company has purchase done 900 Ton press as a standby for unexpected breakdown of certain Critical Presses and the same is under installation. The total number of presses installed in this plant are 17.

This particular plant is engaged in manufacturing of various sheet metal components along with major assembly lines for Structure Assembly, Door Assemblies, Roof panel, Vehicle Floors and other aesthetic items for various models of Tata Motors Limited (TML), Mahindra Navistar Automotive Ltd. and other OEMs.

During the year under review, your Company has set up dedicated assembly line for various assemblies for Mahindra Navistar Automotive Ltd. and has started supplying for its Heavy Commercial Vehicles as per awarded business.

On the future business development front, your Company is exploring the business possibilities with global automotive players like Foton, a Chinese Truck Maker, Jaguar Land Rover (JLR) Bharat Benz (Daimler trucks) etc. Initial visits from Foton, JLR and Daimler, Chennai have taken place and your Company is in further business discussions with them.

TOOL ROOM:

The State of the Art Tool Room is equipped with the best facilities for manufacturing various sheet metal large dies upto 4.5 Meters of world class quality along with in-house design facilities (CAD/ CAM team of about 25 engineers). Your Company has manufactured various tools for domestic and international OEMs like - TML, General Motors-India, Bajaj Auto Limited, Daimler India, FIAT India Pvt. Ltd, Cummins USA, American Axle Manufacturing, Volkswagen, Ashok Leyland - Nissan, etc.

B) Manufacturing facility at Chakan Unit III- Mahalunge - Chakan, India :

This unit manufactures Silencers, Tubular Cross Members, Exhaust Systems from Engine to Tailpipe and Radiator tubes, CAC inlet and outlet tubes for Heavy Commercial Vehicles (HCVs), Light Commercial Vehicles (LCVs) as well as Passenger Cars. This unit has a separate painting booth for painting exhaust systems and Structural Assemblies.

C) Manufacturing facility at Plot Nos. 5, 6 & 8, Rudrapur -Uttarakhand, India:

Your Company has set up manufacturing facilities located at Plot Nos. 5, 6 and 8, Sector 11, IIE, Rudrapur, SIDCUL, Uttarakhand which manufactures various sheet metal Press components, Welded Assemblies, Load Bodies and Small Mechanical Assemblies (SMA) for various Models of Vehicles manufactured by TML, Ashok Leyland and other OEMs.

Your Company has installed the press shop which consists of 10 large presses ranging from 400 tons to 1200 tons and 14 medium presses ranging from 40 tons to 350 tons. Your Company has installed welding facility for manufacture of Low Deck Load Body, BIW parts, Foot Control Modules (FCM), Guide plates and Door Hinges.

During the year under review, the Company has set up and installed the Automated Welding Line for manufacturing of High Deck Load Body for TML's Tata Ace with installed capacity of 400 per day. The Company has started supplying High Deck Load Body from October, 2012 as per roll out requirement for this Model in TML. The said High Deck Load Body was designed and developed by your Company's Wholly Owned Subsidiary Company - Autoline Design Software Limited.

D) Manufacturing facility at Plot No. E-12-17 (7) and (8), MIDC, Bhosari, Pune, India:

Your Company is having world class Manufacturing facilities for various Pedal Control Systems (Foot Control Modules), Parking Brakes, Door Hinges, Mechanical Jacks and other Small Mechanical Assemblies for its domestic and International OEMs like TML, General Motors, India and Korea, Volkswagen India, Daimler India Commercial vehicles (Bharat Benz) and Ashok Leyland - Nissan, Ford Chennai and Sanand. This facility has been certified EMS 14001, OHSAS 18001 and TS 16949 and complies with the highest and stringent quality standards of the International OEMs. In-addition, this facility has also been qualified for General Motor's QSB and Volkswagen's formal Q Certification. This facility is equipped with a dedicated state of the art testing facility required for validating the safety of the critical product range which is being manufactured at this plant. This facility exports the GM Mini pedal systems to Korea as a part of GM global supply as single source.

Your Company has set up additional manufacturing facility at Plot No. E-12-17 (7), MIDC, Bhosari, Pune (Adjacent to Plot No. E-12-17 (8), MIDC, Bhosari, Pune). The Company has started its production for Volkswagen, Daimler and other OEMs. The press line of 6 Presses with capacity from 63 Ton to 350 Ton as well as 5 Ton overhead crane and 200 CFM compressor have been installed. Two assemblies have been set up for Volkswagen and four assemblies for Daimler. In addition to these products new awarded businesses from FORD, Ashok Leyland - Nissan and Renault Nissan will be established in this facility.

E) Manufacturing facility at Dharwad, Karnataka:

In October 2012, your Company has setup a manufacturing facility on a rented premises at Belur Industrial Area, Dharwad, Karnataka. Five major assemblies for the Commercial Vehicle are manufactured and delivered to TML, Dharwad from this plant. This plant has a capacity of manufacturing 400 Assemblies per day.

The Company also owns 2 acres land at Belur Industrial Area, Dharwad. Recently Bhumi Pooja was performed and all approvals for construction of building has been received. This proposed manufacturing facility along with a rented shed will be used to assemble the major components being supplied by your Company for the various vehicles manufactured at TML, Dharwad. Considering the proximity to Bangalore this facility will also to be used to supply Auto Components to other OEMs like - Ashok Leyland- Nissan, Toyota located in this area.

FUTURE PLANS:

Your Company proposes to set up a manufacturing facility at Chennai- "The Detroit of South Asia" which is the leading automotive hub in India with a base of over 30% of India's automotive industry and 35% of its auto components industry. The Company proposes to get assured additional business with Ashok Leyland - Nissan, Daimler India, Isuzu Motors for its Heavy and Light Commercial Vehicles and also explore the possibility of development of business for Passenger Vehicles with Ashok Leyland - Nissan, Renault Nissan, Ford, Kamaz Vectra.

Further your Company proposes to enter into the Aluminum Die Casting business which has good export potential and a thriving domestic demand. This would be a logical extension and your Company has requisite technical and marketing capabilities.

F) Autoline Industrial Parks Limited - (AIPL):

AIPL now proposes to develop infrastructure for setting up of Township under Special Township Act (STP) vide Notification No. TPS-1804/Pune R.P. DCR /UD -13 dated 16th November, 2005 at Village Mahalunge, Taluka, Khed, District Pune, State - Maharashtra, India under the Special Township Project (STP) of Government of Maharashtra.

During the year under review, AIPL has filed an application for constructing Special Township at Village Mahalunge, Taluka Khed, District Pune on its land, to Mantralaya, Mumbai. The location clearance is expected to take 4 months and then Letter of Intent and all other approvals (including Environment Clearance from Ministry Of Environment and Forest [MOEF]) within a overall period of approx. 12 months.

AIPL is continuing to explore the possibilities of a sale/ joint development in a manner most beneficial to all stakeholders. Negotiations are at different stages with few reputed corporate developers.

G) Autoline Design Software Limited, India : (ADSL)

End to end R&D support carried out during the year and its benefit to Autoline Industries Ltd and OEMs.:

Technological advancement and virtual product development process is directly involved in decrease in cost and waste. Here ADSL's R&D team plays a significant role in supporting entire product life cycle and its implementation throughout the process.

- a) ADSL has successfully carried out design and development work for Pedal system and parking brake for various OEM's like TML, General Motors, and Ford Motors during the year 2012-13. For GM (M2XX) RHD Crash Mechanism of Pedal system has been developed, Renault Nissan manual transmission pedal assembly design has been completed. Parking brake design for Nano CNG and Renault Nissan has been completed and all the projects handed over to production.
- b) Ford pedal system for manual and automatic transmission has been designed and handed over to production.
- c) Product validation is being carried out with CAE group which helped in design modifications to reduce the number of iterations during the design process. CAE enabled 'earlier' problem resolution, which reduced the costs associated with the product life cycle. The CAE team was involved in each major project of TML, Ashok Leyland, and General Motors during the year.
- d) Considering the potential requirement of sheet metal assembly line, building a team of Jigs & Fixtures initiatives has been taken for various operations like welding inspection, assembly line for pedal system for various customers like Ashok Leyland, TML, and Varroc Polymers & Daimler.
- e) On the marketing front, various R&D initiatives has been started to approach two/four wheelers OEM's, few of them are Royal Enfield, Bajaj, Renault, Fiat etc. It helps to bring new tools and technologies, design knowledge and approach to find optimum solution for the product definition.
- f) CAE (Initiative) - The mass optimization of 25% per seat of a two wheeler for VARROC has been achieved. The mass optimization done by taking the design considerations in to account. The mass optimization process with the help of CAE tools helped to reduce the overall tool modifications and hence the cost of modifications.
- g) The Non-linear analysis of small assemblies like parking break, clutch pedal and brake pedal of GM, TML and ASHOK LEYLAND is carried out to achieve optimal design. Evaluated and refined analysis using computer simulations rather than physical prototype testing helped to reduce the efforts for the design modifications and development process. The results are 85-90% in relation with physical testing.
- h) The optimization of heavy vehicle bracket for an excitation load is done. ADSL have presented this analysis in Altair national level paper seminar (HTC-2012) at Bangalore.
- i) ADSL Structural design team has done the design of High deck load body of LCV for one of the largest OEM in India and also supported Autoline Industries Ltd to set up the line for production. Design support has been provided to Autoline Industries Ltd. to develop Cab tilt and Cab stay. ADSL styling team has come with styling solutions for Helmets, lighting systems, Two wheelers, concept design for interior and exterior for 4 wheelers and concept design for Consumer Goods. Small Mechanical Assemblies team has been instrumental in providing latest Pedal Systems, Jacks and Parking Brakes for leading automobile manufacturers globally like General Motors, Ford, Chrysler, Fisker, Ashok Leyland-Nissan and Daimler etc. ADSL has also been able to get a global order working closely with DEP Autoline Inc., USA for a European Auto manufacturer.
- j) ADSL is also working closely with a leading Automobile OEM for conversion of an existing SEDAN to a LOAD CARRIER with minimum changes and cost effectiveness in close co-operation with DEP Autoline Inc., USA.

H) Autoline Industries, Inc., Butler, Indiana, USA- (Autoline -Butler):

- 1) During the year under review, Autoline -Butler continues to be a strong player in the pedal system, Park Brake

and Jack Business units. The Company is executing a \$ 92 Million USD Global Mechanical Park Brake contract over 6 years in 3 continents. Your Company now proposes to start its operations both in China and Europe through contract manufacturing partners in both of these countries. It has emerged as a key player in the Global Mechanical Park Brake segment. Your Company will now expand into these geographies and start servicing global OEMs in these regions.

- 2) During the year under review, your Company successfully implemented a \$ 1 million USD profit improvement action program. The Company is happy to report that the program is off to a great start and your Company will achieve its target in this fiscal year.
- 3) A chassis spare tyre kit and a wheel chock program was launched supplying 350,000 units / year at an estimated value of USD 1.2 Million.
- 4) Your Company through Autoline Industries USA has been accepted at two additional OEMs in the US for supplying Jacks and Pedal assemblies and new programs are being quoted currently for launch in 2016.
- 5) The Company is very delighted to report a successful negotiation of a new three year contract with the Labour Union at the Butler operations.

I) SZ Design, Srl and Zagato Srl ("ZAGATO") Milan, Italy :

The net worth of the SZ Design, Srl, (under liquidation) has been eroded due to various write offs. On 13th June, 2012 the Court of Milan, Italy has rejected the request of "Concordato Preventivo" under the Italian Laws filed in June, 2011. However SZ Design, Srl, filed appeal against this decision. The appeal was discussed at a hearing held on 15th November, 2012. The Court of Appeal in Milan has dismissed the appeal of SZ Design, Srl, against the decision of the Milan Court which rejected the request of "Concordato Preventivo". The attorney of SZ Design, Srl informed that the SZ Design Srl., has filed the appeal before the Court of Cassation against the decision of the Court of Appeal of Milan to reject the "Concordato Preventivo proposal". As of today, no request for bankruptcy is pending. The Company will take suitable action after the decision.

J) EXPORTS:

Your Company now exports Thirty one Sheet Metal Parts and Assemblies for Cummins Power Generation USA and Cummins Filtration USA. During the financial year 2012-13, the Company has exported worth USD 1.61 Million (` 86.45 Million). Your Company also made tooling for Export Parts through which a business of USD 0.045 Million (` 2.40 Million) was achieved. There was a 38.11% growth in exports as compared to the financial year 2011-12. During the period under review, your Company also exported Components worth ` 3.31 Million to South Korea.

FIXED DEPOSITS:

During the year, your Company has not accepted any deposits under the provisions of Sections 58A and 58AA or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 1975 framed thereunder.

MEGA PROJECT:

As per the Package Scheme of Incentives (PSI) 2007, your Company's unit located at S. Nos. 313/314, Nanekarwadi, Chakan, Tal: Khed, Dist: Pune - 410 501 has been sanctioned Industrial Promotion Subsidy (IPS) amounting to ` 773.80 Million to be availed over a period of 7 years starting from 1st October, 2009. The Company received a credit of ` 101 Million on 11th June, 2012 towards IPS (being 85% of admissible IPS of ` 36.60 Million and ` 82.2 Million for the F.Y. 2009-10 and 2010-11 respectively) and ` 72.20 Million on 3rd December, 2012 (being 85% of admissible IPS of ` 84.90 Million for F.Y. 2011-12). Further your Company has also submitted a claim for IPS for F.Y. 2012-13 and a credit of ` 58.20 Million (being 85% of admissible IPS of ` 68.50 Million) is expected to be received shortly. Further, your Company plans to submit the claims out of the total entitlement of ` 773.8 Million on a yearly basis from Financial year 2013-14 onwards (to be claimed within 6 months of the end of each financial year).

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.

Pursuant to provisions of Section 212 (8) of the Companies Act, 1956, the Ministry of Corporate Affairs vide its General Circular No. 02/ 2011 dated February 8, 2011 has granted a general exemption subject to certain conditions to holding companies from complying with the provisions of Section 212 of the Act which requires the attaching of the Balance Sheet, Statement of Profit and Loss and other documents of its subsidiary companies to its Balance Sheet. Accordingly, the said documents are not being included in this Annual Report. The main financial summaries of the subsidiary companies are provided under the section 'Subsidiary Companies: Financial Highlights 2012-13' in the Annual Report. The Company will make available at any point of time the said annual accounts and related detailed information of the subsidiary companies upon request by any member of the Company or its subsidiary companies and the same will also be kept open for inspection by any member at the Head Office of the Company and the Subsidiary Companies.

FINANCIALS HIGHLIGHTS - DOMESTIC COMPANIES:
i) Autoline Design Software Limited :

The revenue from operations including exports was ` 28.30 Millions (Previous Year ` 31.34 Millions) The Company incurred Loss of ` 3.86 Millions as against a Profit of ` 3.48 Millions) during the Previous Year.

ii) Autoline Industrial Parks Limited :

During the year under review the Company incurred loss of ` 4.90 Millions (Previous year ` 3.80 Millions).

FINANCIALS HIGHLIGHTS -FOREIGN COMPANIES:
i) Autoline Industries, INC. USA :

During the period under review, the turnover increased to ` 2030.55 Millions (Previous Year turnover was ` 1417.97 Millions). During the period the Company achieved net profit of ` 86.30 Millions (Previous Year net profit was ` 50.34 Millions.)

ii) Autoline Stamping Limited, South Korea:

During the period under review, the Autoline Stampings Limited, South Korea achieved a turnover of ` 337.90 Millions (Previous Year turnover was ` 259.93 Millions) and a net profit of ` 20.78 Millions (Previous Year net profit was ` 15.50 Millions).

iii) Koderat Investments Limited, Cyprus:

Koderat Investments Limited, Cyprus, a wholly owned subsidiary of the Company incurred a loss of ` 1.24 Millions (previous year loss of ` 5.35 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, 2011 as amended:

The particulars required under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 2011 as amended is given as **Annexure- B** to this report.

DIRECTORS:

In accordance with the provisions of the Companies Act, 1956 and Company's Articles of Association Mr. Amit Goela retires by rotation at the conclusion of the forthcoming Annual General Meeting and being eligible, offers himself for re- appointment at the Annual General Meeting.

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:

- in the preparation of the annual accounts, the applicable Accounting Standards had been followed and that there are no material departures;
- 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, 2013 and of the Profit of the Company for that period;
- 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;
- the Directors had prepared annual accounts on a going concern basis.

EMPLOYEES' STOCK OPTION SCHEME - ESOS:

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Company has instituted Employee Stock Option Scheme 2008 (Autoline ESOS 2008) pursuant to the Special Resolution passed by Shareholders at 12th Annual General Meeting held on 27th September, 2008. As per Autoline ESOS 2008, 1,60,000 Options were granted to 171 Permanent employees and 15,000 options were granted to 5 Independent Directors. During the year under review, 44,496 options were exercised and 5 employees holding 3,292 options resigned. These options are available for re-issue. The details of the same are given in the **Annexure - C** to this report.

The Certificate from the Company's Statutory Auditors in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 is annexed as **Annexure -D**.

ANNUAL REPORT - 2013

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 - E**.

AUDITORS:

M/s. K V M D S & Associates, Chartered Accountants, Pune, Auditors bearing the FRN No, 121347W who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for the F.Y. 2013-14. M/s. K V M D S & Associates, have under Section 224(1) of the Companies Act, 1956, furnished a certificate of their eligibility for re-appointment.

AUDITORS' REPORT:

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

COST AUDITORS:

As per the requirement of the Central Government and pursuant to Section 233B of the Act, the audit of the cost accounts relating to Tractors and other motor vehicles (including automotive components) and Engineering machinery (including electrical and electronic product) is carried out every year. Pursuant to the approval of Ministry of Corporate Affairs, Mr. S.G. Jog having registration No. 5599 was appointed as the Cost Auditors for auditing the Company's cost accounts relating to the Company's products for the F.Y. 2012-13. An application has been made to the Central Government seeking their approval, for the appointment of Mr. S.G. Jog for auditing the Company's Cost Accounts relating to the Company's products for FY 2013-14. The Compliance Report for FY 2011-12 was filed by the Company on 21st December, 2012 well within the prescribed due date of 28th February, 2013. The Cost Audit Report for FY 2012-13 is expected to be filed within the prescribed time.

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 extended by them to the Company and their confidence in its Management.

For and on behalf of the Board

Place : Pune
Date : 18th May, 2013

(Prakash B. Nimbalkar)
Chairman

ANNEXURES TO THE DIRECTORS' REPORT

ANNEXURE – A

Information under Section 217(1) (e) of the Companies Act, 1956 read with Companies (Disclosures 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, 2013.

A. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

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

In addition to the normal steps taken for optimum use of energy, some of the initiatives taken by the Company in this regard are as under:

- i) Power factor controlled by monitoring capacitor resulting into saving in energy.
- ii) Installation of transparent sheets at roof top of factory to get natural light as well air ventilators provided at roof top of factory for better ventilation.
- iii) Curtain of plastic sheets are introduced for natural light / air ventilation for Foot Control Module Assembly Line.
- iv) Use of mechanized tapping machines introduced in place of power driven tapping machine resulted in electric energy saving.
- v) Mercury has been replaced with 44WT tubes in Bend shop resulted in energy saving.
- vi) Baking trolley of structure has been modified to accommodate more number of structure. This has resulted in reduction of heat loss during baking process.
- vii) 12 meter Height Chimney has been made for DGs resulted in environment safety.

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 in the cost of production.

c) The total energy consumption and energy consumption per unit of production as 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
Purchase –Units	KWH in Lacs	144.44	139.47
Total Amount	` in Lacs	903.38	698.22
Rate per Unit	`	6.25	5.01
Own Generation Through Diesel Generator- Units	KWH in Lacs		
Unit per ltr. of Diesel Oil	` in Lacs		
Cost per Unit	`		

(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 - Expenditure in Research & Development.

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

ANNUAL REPORT - 2013

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

1. Focus has been given for internal as well external logistics, to improve the in-house quality as well as elimination of dent and damage marks during the transportation.
2. The practice of use of gantry has been made mandatory during the manufacturing of Low Deck Load Body which has resulted in elimination of scratch marks on skin panel of Low Deck Load Body.
3. CO2 gas tanks for CO2 welding has been installed which has resulted in reduction in consumption of gas during CO2 welding operations.
4. The layout of 1 Ton Assembly line has been shifted and modified for the ease of Assembly manufacturing as well as better movement.
5. Robotic CO2 welding process have been commissioned for manufacturing of Volkswagen's Brake Assembly.
6. Testing & Validation system has been designed and developed for various types of Parking Brakes, which are manufactured in-house.
7. 'Super Market' concept has been introduced in High Deck Load Body Line.
8. Eliminated use of natural gas for heating parts washer water, AIL, USA went to electric water heaters. This allows AIL, USA to maintain more even heat control and also will result into cost savings of approx. \$2500/month based on past 12 months gas usage.
9. AIL, USA implemented a quarterly PM program for all its compressors which will reduce the amount of energy being consumed due to poor filtering / maintenance. AIL, USA also went with a synthetic oil that is outperforming the oil and had used this as well is a cost save as it reduces filter replacement @ \$1400 each by half. AIL, USA had 4 changes last year and 2 changes in this year.

Benefits derived as a result of above:

1. Improved quality and customer satisfaction
2. Minimize operator/ workmen fatigue
3. Increase in productivity
4. Less damages to components.

FOREIGN EXCHANGE EARNINGS & OUTGO :

(`)

Particulars	2012-13	2011-12
Foreign Exchange Earnings	89,765,083	71,821,230
Foreign Exchange Outgo	102,854,712	133,060,518
Foreign Exchange Inflow	118,854,194	53,650,403

For and on behalf of the Board

Place : Pune
Date : 18th May, 2013

(Prakash B. Nimbalkar)
Chairman

ANNEXURE – B

Statement pursuant to Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 2011 as amended 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 ₹ 60,00,000 per annum or ₹ 5,00,000 per month.

Name	Designation and nature of duties	Age (Yrs)	Gross Remuneration (₹)	Net Remuneration (₹)	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	47	60,00,000	42,00,000	B.Com.	21	16.12.96	N.A.	5.19%	Mr. Sudhir V. Mungase Wife's Brother
Mr. M. Radhakrishnan	Managing Director & Chief Executive Officer	58	60,00,000	42,00,000	B.Sc. (Stats) LLB, DBM, CAIIB	32	03.09.01	Small Industries Development Bank of India - General Manager	0.90% Wife - Mrs. Rema Radhakrishnan - 5.45%	N.A.
Mr. Sudhir V. Mungase	Wholetime Director	38	60,00,000	42,00,000	Undergraduate	16	16.12.96	N.A.	4.92%	Brother in Law of Mr. S.T. Akhade

For and on behalf of the Board

Place : Pune

Date : 18th May, 2013

(Prakash B. Nimbalkar)
Chairman

Notes:

- Designation of the employee indicates the nature of duties.
- The nature of employment in all above employment is contractual.
- Considering inadequacy of profits for F.Y. 2012-13 and applicability of provisions of Companies Act, 1956 read with Section II of Part II of Schedule XIII to the Companies Act, 1956 a sum of ₹ 12,00,000/- (Rs. Twelve lacs) each paid for the Financial Year 2012-13 to Mr. Shivaji T. Akhade, Managing Director, Mr. M. Radhakrishnan Managing Director and Mr. Sudhir V. Mungase, Wholetime Director of the Company respectively in excess of the permissible limits of ₹ 48,00,000/- per annum each or ₹ 4,00,000/- per month each has been accounted.

ANNEXURE C - TO THE DIRECTORS' REPORT

Employee Stock Options Scheme 2008

(a)	Options granted on 12th November 2010	1,75,000
(b)	Pricing Formula	` 25 per share
(c)	Options vested (Upto 31st March, 2013)	57851
(d)	Options exercised (Upto 31st March, 2013)	44496
(e)	Total number of shares arising as a result of exercise of options	44496
(f)	Options lapsed (as at 31st March 2013)	14752
(g)	Variation of terms options	No variation
(h)	Money realized by exercise of options	1112400
(i)	Total number of options in force (as at 31st March 2013)	115752
(j)	Employee wise details of options granted during the year	
1	Senior Management personnel	Nil
2	Employees to whom more than 5% options granted during the year	Nil
3	Employees to whom options more than 1% of issued capital granted during the year	Nil
(k)	Diluted EPS, pursuant to issue of shares on exercise of options	` 0.78
(l)	1 Method of calculation of employee compensation cost	Calculation is based on intrinsic value method Intrinsic value per share is ` 234.45 per share
2	Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options	Employee compensation cost would have been higher by ` 2,45,967/- had the Company used fair value method for accounting the options issued under ESOS
3	Impact of this difference on Profits and on EPS of the Company	Profits would have been lower by ` 2,45,967/- and EPS would have been lower by ` 0.02, had the Company used fair value method of accounting the options issued under ESOS
(m)	1 Weighted average exercise price	` 25.00
2	Weighted average fair value of options based on Black Scholes methodology	` 239.80
(n)	Significant assumptions used to estimate fair value of options including weighted average	
1	Risk free interest rate	7%
2	Expected life	Average life taken as 1 year from date of Grant (Vest)
3	Expected volatility	45%
4	Expected dividends	Not separately included, factored in volatility working
5	Closing market price of share on a date prior to date of Grant (Vest)	` 259.45

ANNEXURE - D

TO THE DIRECTORS' REPORT

AUDITORS' CERTIFICATE ON EMPLOYEE STOCK OPTION SCHEME

To

The Members of

Autoline Industries Ltd

We have examined the books of accounts and other relevant records and based on the information and explanations given to us, certify that in our opinion, the Company has implemented the Employee Stock Option Scheme in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Special Resolutions passed at the Annual General Meeting of the Company held on 27th September 2008.

**FOR KVMDS & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REG. NO-121347W**

**Date: 18th May, 2013
Place: Pune**

**VIJAY B. SHETH
PARTNER
MEM.NO.037634**

ANNEXURE E 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, 2013, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges 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 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 KVMDs & ASSOCIATES.
CHARTERED ACCOUNTANTS.
FIRM REG. NO-121347W**

**Place : Pune
Date: 18th May, 2013**

**VIJAY B. SHETH
PARTNER
MEM.NO.037634**

Management Discussion & Analysis

Economic Overview:

The Indian Economy, after reporting a fairly robust growth of over 9 per cent during 2005-2008, moderated to a growth of 6.7 per cent in 2008-09 because of the global financial crisis. Since there was fiscal and monetary space, it allowed the economy to recover fairly quickly to a growth of 8.4 per cent in 2009-10 and 2010-11. Since then, however, the fragile global economic recovery and a number of domestic factors have led to a slowdown once again. The slowdown is not just confined to India. There has been a general slowdown in the global economy which has been passing through a rather prolonged phase of uncertainty. The slowdown has been all pervasive and almost all the sectors have been affected.

The Global economy is going through uncertainties, with economies of most of the developed markets facing recessionary pressures. The whole world is looking at China and India to lead and bring the Global economy out of the downturn.

According to India Ratings, economic growth may improve to 6.1 per cent in the next financial year, from the decade low of 5 per cent in 2012-13, on the back of reform measures announced after mid-September 2012.

INDUSTRY STRUCTURE AND DEVELOPMENTS :

Automotive Industry of India has been recording sluggish growth over the years but is a major contributor to India's GDP. This industry employs about 19 million people both directly and indirectly. Contribution of India in Global Auto industry is important. The Automotive Industry comprises of the automobile and the auto ancillary industry.

As per data published by Department of Industrial Policy and Promotion (DIPP), Ministry of Commerce, the amount of cumulative foreign direct investment (FDI) equity inflow into the automobile industry during April 2000 to April 2013 was worth US\$ 8316.47 million, accounting for 4.25 per cent of the total FDI inflows (in terms of US\$).

Automobile Industry:

Automobile Industry includes passenger cars; light, medium and heavy commercial vehicles; Utility Vehicles, scooters, motorcycles, three wheelers, tractors etc.

Automobile Industry performance in 2012-13:

The cumulative production data for April-March 2013 shows production growth of only 1.20 percent over the same period last year.

Domestic Sales:

The overall growth in domestic sales during April-March 2013 was 2.61 percent over the same period last year.

Passenger Vehicles segment grew at 2.2 percent during April-March 2013 over same period last year. Passenger Cars declined by (-) 6.7 percent, Utility Vehicles grew by 52.20 percent during April-March 2013 as compared to the same period last year.

The overall Commercial Vehicles segment registered de-growth of (-) 2.0 percent in April-March 2013 as compared to the same period last year. While Medium & Heavy Commercial Vehicles (M&HCVs) declined by (-) 23.2 percent, Light Commercial Vehicles grew at 14.0 percent.

The industry performance in the domestic market during FY 2012-13:-

Category	Industry Growth (%)	
Segment	FY 2011-12	FY 2012-13
Passenger Cars	2.2	-6.7
Utility Vehicles	16.5	52.2
Passenger Vehicles	4.66	2.2
M&HCV	7.9	-23.2
LCVs	27.4	14.0
Total Commercial Vehicles	18.2	-2.0

During April-March 2013, overall automobile exports registered de-growth of (-) 1.34 percent compared to the same period last year.

Source: Society of Indian Automobile Manufacturers (SIAM)

The prevailing slowdown in industrial production is due to combination of domestic and external factors. While the global economic slowdown had affected the export dependent sectors, depressed sentiments, high interest rates, a slowing economy, moderation in credit growth, a deceleration in growth of investment and record fuel prices also contributed to

the reduction in growth. Monetary tightening and higher cost of borrowing have dented overall investment flow into industry and infrastructure during the current financial year.

Auto Ancillary Industry :

The fortunes of the auto ancillary sector are closely linked to those of the auto sector. Demand swings in any of the segments (cars, two-wheelers, commercial vehicles) have an impact on auto ancillary demand. Demand is derived from Original Equipment Manufacturers (OEM), as well as the replacement market.

The Indian auto ancillary industry's revenue growth in 2012-13 was the slowest in last five years as suppliers battled weak demand from domestic OEMs and sluggish export volumes starting Q2 2012-13 and tepid replacement market sales. Revenue growth was particularly weak in Q4 2012-13 due to the unusually high base of Q4 2011-12 (due to vehicle pre-buying that had happened in this period in anticipation of excise duty hike) as well as propagation of demand weakness across all automobile segments. Suppliers of parts to the Medium & Heavy Commercial Vehicle (M&HCV) segment and the Passenger Car (PC) segment were the most severely impacted; while suppliers to the Light Commercial Vehicle (LCV) and Utility Vehicle (UV) segments were relatively better off.

The aggregate net profit of auto component manufacturers in the study sample declined by around 7 per cent in 2012-13 over the previous year. One of the primary reasons for this decline was depreciation of the rupee against the dollar, besides earnings weakness due to weak demand and increase in operating costs due to lower volumes.

OPPORTUNITIES AND THREATS:**A) OPPORTUNITIES :**

The growth of Indian middle class, with increasing purchasing power, will lead to increased affordability and increasing domestic demand for vehicles, especially in the small car segment. With rising disposable income levels and changing life styles, especially in the key urban centres in India, additional purchases are being made by persons who already own vehicles. This has led to high demand for automobiles.

Indian Auto Component Manufacturers offers adequate production capacity with world class technology and that too at low cost. Domestic auto component manufacturers are increasingly complying with the internationally accepted quality standards like EMS 14001, OHSAS 18001, TS 16949, six sigma, ISO, etc. This has caught the attention of global OEMs. Global OEMs with presence in India are increasing level of localisation in products offered by them in the Indian markets. To keep costs low without compromising quality, the level of indigenisation is being increased in phased manner. Furthermore, depreciating rupee is resulting in increase of import bill for global OEMs, who source a large proportion of their inputs from overseas markets. Global OEMs are resorting to increased local sourcing so as to curtail the burden of growing import bill. Thus growing levels of indigenisation in next couple of years will contribute to growth of auto component manufacturers in the next 2-3 years, regardless of slowdown in automobile demand.

Carmakers in India are passing through their toughest ride in a decade. Yet, in coming year, five carmakers plan to invest a total of ₹ 11,000 Crore in additional capacity for one million cars, or one third of the current market size. This is a good news for auto ancillary industries as their fortunes are closely linked to those of the auto sector.

- 7 new International OEMs have set up Manufacturing facilities in India in the last 4 years and launched almost 150 new models.
- According to JD Power and Ernst & Young estimates (incorporated in Government of India's Mission Plan 2020 for Automobile Industry) -
 - i) The Indian Automobile Market is tipped to become the 3rd largest in the world by 2020.
 - ii) India's share in the Global Passenger Vehicle Market to Jump from 4% in 2010-11 to 8% by 2020.
 - iii) The Auto Component Industry to attain turnover of USD 113 billion by 2020, from USD 58 billion in 2010-11.
 - iv) The contribution of Auto Industry in 2010-11 to National GDP was 22% and Excise 21% of total collections. Hence, the Industry cannot be ignored and Government will have to provide necessary impetus & facilities to achieve above targets.

Your Company is well poised to exploit these opportunities in view of its Strengths. Your Company already has a Global Foot Print with manufacturing in India, USA, South Korea, and operations to be started in both China and Europe, as International OEMs expect supplies of Components for same Model manufactured globally at all locations.

B) THREATS:

Due to the global economic slowdown, automotive Industry sales declined significantly. Due to global meltdown and financial crisis all over the world and especially in auto sector, banks/financial institutions became more cautious while lending funds. The challenge before the industry is to face tight liquidity, low consumer sentiments, fluctuations in price of raw material especially steel, drop in industrial production, cost reduction targets of OEMs, high operating costs, overcapacity in the market, lack of availability of consumer finance etc.

The major issue that auto component makers are facing is with regard to sharply rising cheap imports of auto components

from ASEAN countries such as Thailand, China, etc.

Auto Component manufacturers of our Category are sandwiched between large OEMs (Vehicle Manufacturers) and large Steel OEMs (raw material suppliers) with less or no elbow room for negotiations and terms, unless new proprietary products with own design are launched in both Automotive and Non-Automotive Sectors. Hence, your Company is taking necessary steps to scale up more 'proprietary' products with own designs and ability to realize good margins from Customers in coming years.

Key Competitive Positioning:

Over the years, your Company has built a strong product portfolio and developed high end design and value engineering capabilities. Your Company is an integrated 'Art to Part' or 'Concept to Delivery' Company with capability right from Styling, Designing (CAD), Proto typing, Analyzing CAE (Computer Aided Engineering), for Crash Worthiness, NVH, CFD, etc. Tooling (Computer Aided Manufacturing) and finally Mass Manufacturing.

Your Company operates through 12 manufacturing facilities and four Design & Styling Centers in Pune, India's Automotive & IT hub, Chennai, USA, Italy.

At the heart of our diversification has been our innovative approach to not only produce new products but also improve our existing products and services through Value Engineering. Your Company endeavours to bring products which satisfy the end user requirements.

Today, the Company is able to provide over 2500 products across different sizes and ranges that fit into a range of SUVs, MUVs, PV's, CVs and other vehicles. Your Company has added a varied range of products like foot control modules, exhaust systems, silencers, jacks, hinges, brake assemblies, automotive axles, etc. Your Company provides a wide range of engineering enterprise services, based on a combination of business consulting, product design, and IT skills. Some of the product innovations undertaken by your Company in association with the Subsidiary Companies encompass High Deck Load Body, Load Body Weight Optimization, Pedal Assemblies, Park Brake Assemblies and Jack Assemblies. These have been well accepted by OEMs, both global and domestic. Notably your Company has also been awarded patents by the United States Patent Office and that has enabled to obtain good brand visibility world over.

Your Company has the unique capability of Offshore Designing & Manufacturing model (ODM) through DEP Autoline LLC, USA, a Detroit, USA based firm specializing in Design Engineering. Your Company, with the help of this subsidiary has focused on developing and providing high-end full vehicle engineering solutions through a suite of proprietary software tool kits and products. The high-end design engineering capabilities will enable your Company to reposition as one of the most technologically competent solutions provider in the world. With the acquisition of Autoline Design Software Limited, located at Pune, India, your Company's proposition to its customers improved 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 efficiency. Your Company, is continuously renewing technology and upgrading quality standards, keeping in mind international benchmarks.

In the recent years, with a well-defined business strategy, your Company has won new contracts from General Motors, Volkswagen, Daimler Chrysler, Ford, Mahindra Navistar Automotive Ltd. and Ashok Leyland Nissan. Consequently, it has also led to improved and increased brand visibility and awareness for your Company. Due to excellent quality in work, cost competitiveness, timely deliveries and State of the Art Tool Room facility with latest CAD /CAE/ CAM facilities, the Company has, in a short span, become prime vendor to all the reputed Auto Manufacturers not only in Pune, but across the World.

Using the power of collaborative visualization, your 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 the OEMs in the Automobile Industry around the world. These processes have been successfully applied while developing components/assemblies for General Motors, Daimler, Volkswagen, Ashok Leyland-Nissan, etc.

Every manufacturing facility has a tool room attached with Computerised Milling Centres, Wire-cut Machines, Horizontal Boring Machine and host of other supporting tooling machinery to take care of even the large size dies. This is supported by a state-of-the-art Design Engineering setup with the latest Hardware and Software backed by CAD/CAE/CAM facilities for optimum utilization of tool room machinery.

Moving Ahead aided by Innovation

Your Company's in-house designing team has introduced a number of new products during the year. The Adjustable & Collapsible Pedal Assembly, High Deck Load Body, Park Brake Assembly and Jack Assembly are a result of our focus on driving growth through innovation, thus exemplifying the value engineering expertise of your Company. Efforts are also on to develop Accessories for 4 wheelers & 2 wheelers, which are in high demand with new & innovative designs, to improve profit margins.

While, most of these products have been tested and approved by leading international and domestic OEMs - Volkswagen, Daimler India, Ashok Leyland - Nissan, Asia Motor Works, Mahindra Navistar and Tata Motors, your Company is now set to tap the incremental growth opportunities arising from them.

Further, your Company earned recognition for its in-house Designing & Engineering capabilities team from Volkswagen and General Motors to provide cost efficient pedal assemblies and brake assemblies.

Your Company has also set up a manufacturing plant at Dharwad in Southern India, to cater to the growing needs of Domestic and International OEMs and particularly for the various models manufactured by Tata Motors Ltd. at Dharwad.

The recognition of your Company's value engineering expertise by International OEMs like General Motors, Volkswagen, Daimler, Ashok Leyland - Nissan, Asia Motor Works, Tata Motors and Mahindra Navistar continues to propel your Company's growth, by enabling the development of newer, high performance, value added and low cost products in your Company's portfolio. This will help not only improve your Company's business performance but also strengthen your Company's relationships with the existing as well as prospective clients.

Your Company's untiring efforts of adhering to global quality standards, enhancing production efficiency, upgrading to fast changing requirements of OEMs, customization of products and solutions, and a strong focus on product innovation and improvisation have yielded an overall improvement in performance.

RISKS AND CONCERNS:

The risks to which the Company is exposed are common to most of the players in the auto components industry. Entry of new players and the launch of new models may increase market competition for automobile companies. This in turn will restrict the ability of the auto component manufacturing companies to pass on the full impact of input cost pressures to auto manufacturers.

Infrastructure plays a key role in the development of the economy and hence, infrastructural bottlenecks and delay in policy initiatives by the Government could affect the growth of the industry and the Company.

Inflation: - The Reserve Bank of India continued to follow a relatively tight monetary policy to control inflation. The cost of borrowing remains at elevated levels and this has had an impact on investment and growth in the economy, particularly that of the industry sector. Finally, bottlenecks in project implementation have made financing more difficult and investors more cautious. However as per the data released by the Commerce and Industry ministry on Monday 15th April 2013, the wholesale price inflation, the most widely-watched measure of prices, dropped to 5.96% in March 2013 from 6.84% in February 2013. This marks the lowest inflation reading since November 2009. This is a good sign of recovering of economy.

Increase in Competition: - The Indian auto components industry is currently facing formidable pricing challenge from China and South East Asian countries as they compete not only in the international markets but also on the domestic turf. At present, the cost competitiveness of Indian players is constrained on account of infrastructure inefficiencies; higher cost of power; upward pressure on wages and inflexible labour laws.

Increase in Fuel price: - The frequent hikes in fuel prices seems to have had an adverse effect on the sale of vehicles. The increased price of petrol and diesel due to new policy of Market Adjustment every fortnight has proved to be a bane for automobile companies.

The global economic slowdown, depressed sentiments, high interest rates, moderation in credit growth and a deceleration in growth of investment are also the reasons for concern.

In coming financial year, the measures taken by the Government will help the automotive industry to improve its products and performance and to achieve better cost efficiency. The measures taken by Government seems to be a step to encourage local manufacturing, value addition and employment

BUSINESS OUTLOOK:

The Indian auto component industry is one of the few sectors in the economy that has a distinct global competitive advantage in terms of cost and quality. The value in sourcing auto components from India includes low labour cost, raw material availability, technically skilled manpower and quality assurance. An average cost reduction of nearly 25-30% has attracted several global automobile manufacturers to set base since 1991. India's process-engineering skills, applied to re-designing of production processes, have enabled reduction in manufacturing costs of components. Today, India has become the outsourcing hub for several global automobile manufacturers.

However, In view of the current macro environment, both domestically and globally, a cautiously optimistic view about the Indian automobile industry's prospects can only be taken in the near term. As a result, achieving high growth rates is likely to be a major concern for the industry in 2013.

The automobile sector is cyclical and dependent on the growth of the economy and improvement in infrastructure. Factors like increased public spending, favorable interest rates, general improvement in per capita income and favourable Government policies to stimulate Growth (like defining the life for vehicles) point towards higher demand for automobiles in the future.

Strong demand from the OEM segment remains a key driver for the auto components industry. The global turmoil and tight liquidity conditions during 2012-13 had caused an unprecedented number of downgrades in the auto components industry. Although prospects of recovery of exports to developed markets remain uncertain as of now, there is the strong underlying domestic demand prevailing across automotive segments should enable the components industry to remain on an up tide over the medium term.

ANNUAL REPORT - 2013

While growth in the auto-sector globally has slowed down, your Company look at this "lean period" as a time of significant opportunity. While your Company continue to grow its business in India with traditional customers, your Company have made significant headway in diversifying customer base and expanding exposure geographically.

Your Company proposes to set up manufacturing facility at Chennai- "The Detroit of South Asia" which is the leading automotive hub in India. The Company proposes to increase its business with Ashok Leyland - Nissan, Daimler India, Isuzu Motors for its Heavy and Light Commercial Vehicles and also explore the possibility of development of business for Passenger Vehicles with Ashok Leyland - Nissan, Renault Nissan, Ford, Kamaz Vectra.

The next year promises to be one of challenge and opportunity. While your Company stands ready to face the challenges as a result of reduced growth domestically, we look at the coming period as one which will provide us the opportunity to consolidate and optimisation of production operations at Pune, innovation, cutting cost through value engineering and also productionisation or monetization of some patents, making accessories, reduce and control costs, overheads etc. resulting in optimum utilisation of resources and continue growth.

BUSINESS PERFORMANCE:

The year gone by was a tough one for the entire Automobile Industry with your Company being no exception. The standalone performance has been little down due to slow down in auto industry, reduction in overall demand, lower volumes not covering fixed costs, high interest rate, inflationary trends, increase in input costs etc.

However, on a consolidated basis, during the year under review, your Company recorded a growth of 7.04% in Net Sales at ` 8006.85 million and earned net Profit of ` 109.11 Million. This was on account of an increase in volumes & performance of US based Wholly Owned subsidiary Company - Autoline Industries USA Inc.

(` in Millions except EPS data)

PARTICULARS	Consolidated Financials	
	2012-13	2011-12
Income from Operations (Net)	8006.85	7480.03
Other Income	44.96	26.71
Profit Before Interest, Depreciation & Taxes	624.64	788.31
Finance Costs	374.84	311.61
Depreciation	230.75	210.52
Profit Before Tax but before Exceptional Items	19.05	266.17
Exceptional Items	68.51	203.86
Tax expense	(19.15)	75.15
Profit After Tax but before deducting minority interest	106.71	394.89
Less : Minority Interest	(2.39)	(1.86)
Profit / (Loss) for the year	109.10	396.75
Earnings per Share (`) : Basic	9.81	33.41
Earnings Per Share (`) : Diluted	8.87	32.25

SEGMENT - WISE PERFORMANCE:

Your Company is in the business of manufacturing of pressed sheet metal auto components and assemblies which is used in the 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 Automotive Component Segment. However, the Company also has a small share in export segment.

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 unauthorized use or disposition and that transaction are authorized, 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 has implemented Microsoft Dynamics AX 2009 (Axapta), Enterprise Wide Solution, Enterprise Resource Planning (ERP) at all its plants covering all its businesses, planning and accounting processes. With the help of this, your Company will be in a better position to increase the operational efficiency and cost effectiveness of overall operational controls. Your Company have re-appointed M/s. "CMRS & Associates, Chartered Accountants", (formerly known as Chandrakant G Doshi & Co.), independent firm of Internal Auditors, 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.

CAPITAL EXPENDITURE:

Your Company invested ₹ 203.48 million towards capital expenditure in building, plant and machinery and other miscellaneous fixed assets during the year under review. Due to focusing on other new Customers the Company is required to make investment in plant & machinery and facilities to complete the new / on going contracts. The capital infusion will continue in a planned manner to further improve, enhance and modernise plants in the current year 2013-2014.

HUMAN RESOURCES

Your Company had a total strength of 3,450 employees as on 31st March, 2013.

In order to protect the health of employees and to ensure healthy working environment, your Company in March, 2013 has started self-funded Medi-claim policy for Group Medi-claim known as 'Autoline Employees Health Benefit Scheme' and also Personal Accident policy.

The Company had launched quarterly Newsletter named 'NINAD' from March, 2010 which aims to provide platform for the management, the employees, and their families to communicate and share their news and views freely & effectively. This is being continued.

Further, under the Employees Stock Option Scheme (ESOP), your Company has allotted 44,496 Equity Shares against exercise price of ₹ 25/- per share to its employees and Independent Directors.

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

CAUTIONARY STATEMENT :

The statements forming part of this Annual Report including Directors' Report and 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, market perceptions 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 realized. 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.

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 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 organization 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 **six** Directors, comprising of **Non-Executive Chairman**, Mr. Prakash B. Nimbalkar. The Board of Directors is composed of **Three** Executive Directors viz. Mr. Shivaji T. Akhade, Managing Director, Mr. M. Radhakrishnan, Managing Director and Chief Executive Officer, and Mr. Sudhir Mungase, Whole-time Director, **two** Non-Executive Independent Directors, CA. Vijay K. Thanawala and Mr. Prakash B. Nimbalkar and **one** Non - Executive Director Mr. Amit Goela. Prof. Abraham Koshy resigned as Non-Executive Independent Director w.e.f. 18th May, 2013.

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 Exchanges), 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 2012 - 2013, Four Board meetings were held on the 28th April, 2012, 19th July, 2012, 6th November, 2012 and 1st February, 2013.

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.

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 to be approved at the subsequent Board meeting.

The attendance at the Board meetings held during the financial year 2012-2013 and at the last Annual General Meeting (AGM), the number of other Directorships and Committee Memberships/Chairmanships of Directors as on 31st March, 2013 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. Prakash B. Nimbalkar	4	Yes	8	5	3
Mr. Shivaji T. Akhade	4	Yes	9	-----	-----
Mr. M. Radhakrishnan	4	Yes	6	2	-----
Mr. Sudhir V. Mungase	4	Yes	5	-----	-----
Mr. Amit Goela	4	No	5	-----	-----
CA Vijay K. Thanawala	4	No	3	1	1
Prof. Abraham Koshy ***	2	No	4	1	----

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

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

*** Prof. Abraham Koshy resigned as Director w.e.f. 18th May, 2013.

Disclosure regarding No. of Directorship, Committee membership and No. of Committee Chairmanship is given of those Directors who were on the Board as on 31st March, 2013.

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

Name of the Directors	Date of birth / Date of Appointment	Expertise in specific functional areas	Qualifications	Committee memberships in*	Directorships in	No. of shares held in the Company
Mr. Amit Goela	2nd February, 1965 10th August, 2011	Partner in Rare Enterprises and has 22 years of experience in Capital Market	B. Com MBA	-	1. Autoline Industries Ltd. 2. Race Ahead Properties Private Limited 3. Roshani Agencies Private Limited 4. Suryaamba Spinning Mills Limited. 5. Rare Equity Pvt. Ltd.	125000

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

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 three members out of which two are non-executive independent Directors viz. C.A. Vijay K. Thanawala, Mr. Prakash B. Nimbalkar, and Mr. M. Radhakrishnan, Managing Director and Chief Executive Officer.

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, Internal Auditors and Chief Financial Officer (CFO) are invited to attend the meetings of the committee.

ANNUAL REPORT - 2013

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 :
 - o Any changes in accounting policies and practices
 - o 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.
 - o Major accounting entries involving estimates based on exercise of judgment by the management
 - o Qualifications in draft audit report
 - o Significant adjustments arising out of audit
 - o The going concern assumption
 - o Compliance with accounting standards
 - o Compliance with stock exchange and legal requirements concerning Financial statements
 - o 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 Statutory 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.) if any.
- n. To review the functioning of the Whistle Blower mechanism.

During the year under review, Five Audit Committee meetings were held on 16th April, 2012, 27th April, 2012, 18th July, 2012, 6th November, 2012 and 31st January, 2013.

Attendance at the Audit Committee meetings:

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

2. Remuneration Committee

The Remuneration Committee has been constituted to recommend / review remuneration of the Managing Directors and Whole time 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 programs.

The Remuneration Committee has been re-constituted as Prof. Abraham Koshy had resigned from the Committee on 18th May, 2013. The Remuneration Committee consist of Mr. Prakash B. Nimbalkar, CA. Vijay K. Thanawala, Non-Executive and Independent Directors and Mr. Amit Goela Non-Executive Director. Mr. Amit Goela was appointed on 18th May, 2013. Mr. P. B. Nimbalkar is the Chairman of the Committee.

The meeting of the Remuneration Committee was held on 6th November, 2012 and 1st February, 2013.

Attendance at the Remuneration Committee meeting during F. Y. 2012-13.

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash B. Nimbalkar	2	2
CA. Vijay K. Thanawala	2	2
Prof. Abraham Koshy	2	1
Mr. M. Radhakrishnan	2	2

The details of remuneration paid to Directors of the Company during the financial year 2012-13 are given below:

(` in Millions except share data)

Name and Designation of the Directors	Salary & Perquisites	Sitting Fees for Board and Committee meetings	No. of equity shares held**	Service Contract
Mr. Shivaji T. Akhade - Managing Director	6.00	Nil	6,33,681	5 years w.e.f. 1st October, 2011
Mr. M. Radhakrishnan - Managing Director & Chief Executive Officer	6.00	Nil	1,09,953	5 years w.e.f. 1st October, 2011
Mr. Sudhir V. Mungase Wholetime Director	6.00	Nil	6,00,958	5 years w.e.f. 1st October, 2011
Mr. Prakash B. Nimbalkar - Non- Executive Chairman & Independent Director	-----	0.480	5034	—
CA. Vijay K. Thanawala - Non-Executive & Independent Director	-----	0.215	1692	—
Prof. Abraham Koshy - Non-Executive & Independent Director*	-----	0.090	834	—
Mr. Amit Goela Non-Executive Director	-----	0.080	125000	—

* Prof. Abraham Koshy resigned as a Director w.e.f.18th May 2013

**No. of shares held in the Company includes shares allotted by the Compensation Committee at its meeting held on 18th May, 2013 viz: Mr. Prakash B. Nimbalkar- 1667 shares, CA Vijay K. Thanawala - 833 shares

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 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 inadequacy of profits for F.Y. 2012-13 and applicability of provisions of Companies Act, 1956 read with Section II of Part II of Schedule XIII to the Companies Act, 1956 a sum of ` 12,00,000/- (Rs. Twelve lacs) each paid for the Financial Year 2012-13 to Mr.,Shivaji T. Akhade, Managing Director, Mr. M. Radhakrishnan Managing Director and Mr. Sudhir V. Mungase, Wholetime Director of the Company respectively in excess of the permissible limits of ` 48,00,000/- per annum each or ` 4,00,000/- per month each has been accounted.

The Board of Directors have decided not to pay Commission to the Non- Executive Directors for the year 2012-13.

3. Investors' Grievance and Share Transfer Committee.

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 has been re-constituted on 18th May, 2013 as Prof. Abraham Koshy had resigned from the Committee. The Committee consists of three members out of whom two are Non-Executive Independent Directors viz. Mr. Prakash B. Nimbalkar, CA. Vijay K. Thanawala 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 four times on 28th April, 2012, 19th July, 2012, 6th November, 2012 and 1st February, 2013.

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

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash B. Nimbalkar	4	4
Prof. Abraham Koshy*	4	2
Mr. M. Radhakrishnan	4	4

* Prof. Abraham Koshy resigned as a Director w.e.f. 18th May, 2013.

All shares received for transfer were registered and dispatched within fifteen days of receipt, if the documents were correct and valid in all respects. There were no pending share transfers as on 31st March, 2013. During the year under review, the Company had received complaints from shareholders relating to dividend which were duly resolved.

4. Executive Committee:

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, Mr. M. Radhakrishnan and Mr. Sudhir V. Mungase.

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

During the year under review, the Committee met fifteen times on 16th April, 2012, 14th May, 2012, 2nd June, 2012, 8th June, 2012, 16th June, 2012, 29th June, 2012, 2nd August, 2012, 27th September, 2012, 10th November, 2012, 13th December, 2012, 2nd January, 2013, 16th February, 2013, 4th March, 2013, 9th March, 2013 and 15th March, 2013.

Attendance at the Executive Committee meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash B. Nimbalkar	15	15
Mr. Shivaji T. Akhade	15	15
Mr. M. Radhakrishnan	15	15
Mr. Sudhir V. Mungase	15	13

5. Compensation Committee

The Committee has been constituted to administer and monitor Autoline ESOS Scheme 2008.

The Committee has been re-constituted as Prof. Abraham Koshy, resigned from the Committee on 18th May, 2013. The Committee consists of three members out of which two are Non- Executive Directors viz. Mr. Prakash Nimbalkar, CA. Vijay Thanawala, and one Executive Director, Mr. M. Radhakrishnan. Mr. Prakash Nimbalkar is the Chairman of the Committee. During the year under review, the Committee met 4 times on 11th April, 2012, 19th July, 2012, 6th November, 2012 and 1st February, 2013.

Attendance at the Compensation Committee Meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Prakash B. Nimbalkar	4	4
CA. Vijay Thanawala	4	4
Prof. Abraham Koshy*	4	2
Mr. M. Radhakrishnan	4	4

*Prof. Abraham Koshy resigned as a Director w.e.f. 18th May, 2013.

Each option represents a right but not obligation to apply for 1 fully paid equity share of ₹ 10/-each at the exercise price of ₹ 25/-. The options granted vest over 3 year from the date of grant.

As per Autoline ESOS 2008, the Compensation Committee Meeting granted 1,60,000 options to 171 employees and 15,000 options to 5 Non-Executive and Independent Directors on 12th November 2010. During the year under review, 5 employees holding 3292 options resigned. Cumulative number of options which have lapsed due to separations is 14752. These options are available for re-issue 2500 options granted to Prof. Abraham Koshy, who had resigned from directorship, will continue to be valid. Disclosure as required by SEBI guidelines on ESOS is annexed to the Directors' report.

Further the Compensation Committee Meeting at its meeting held on 19th July, 2012, 6th November, 2012 and 1st February, 2013 have approved allotment of 12,759, 27,003 and 4,734 Equity Shares, including 5,003 Equity Shares to the Independent Directors pursuant to exercise of options at an exercise price of ₹ 25/- per share.

Sr. No.	Name of Independent and Non-Executive Directors	No. of options granted	No. of Shares allotted ***
1	Mr. Prakash B. Nimbalkar	5000	3334
2	CA. Vijay K. Thanawala	2500	1667
3	Prof. Abraham Koshy*	2500	834
4	Mr. Ajit Karnik**	2500	1667
5	Cmde N. Ravindranathan IN. (Retd.)**	2500	1667
	TOTAL	15000	9169

* Prof. Abraham Koshy resigned as a Director w.e.f.18th May 2013. 2500 options granted to him will continue be valid

** 2500 options each granted to Cmde N. Ravindranathan & Mr. Ajit Karnik who retired by rotation & ceased to be directors w.e.f. 30th December, 2011 will continue to be valid.

*** these are inclusive of shares allotted under ESOP Scheme at the Compensation Committee Meeting held on 19th July, 2012, 6th November, 2012, 1st February, 2013 and 18th May 2013.

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
2011-12 16th AGM, Thursday, 27th September, 2012	2.30 p.m	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	No Special Resolution was passed

ANNUAL REPORT - 2013

2010-11 15th AGM, Friday, 30th December, 2011	2.30 p.m	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	<ol style="list-style-type: none"> 1. Consent of the members to re-appoint Mr. Shivaji T. Akhade as a Managing Director for a period of five years commencing from 1st October, 2011 to 30th September, 2016. 2. Consent of the members to re-appoint Mr. M. Radhakrishnan as a Managing Director for a period of five years commencing from 1st October, 2011 to 30th September, 2016. 3. Consent of the members to re-appoint Mr. Sudhir V. Mungase as a Wholtime Director for a period of five years commencing from 1st October, 2011 to 30th September, 2016. 4. Consent of the members to appoint Mr. Rajiv Radhakrishnan, relative (son) of Mr. M. Radhakrishnan, Managing Director of the Company to hold office with Autoline Industries Inc. USA. (Wholly Owned Subsidiary of Autoline Industries Limited)
2009-10 14th AGM, Friday, 24th September, 2010	3.00 p.m.	S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed. Pune 410501	<ol style="list-style-type: none"> 1. Consent of the Members to increase the payment in remuneration from ` 36,00,000/- per annum to ` 60,00,000/- per annum to Mr. Shivaji T. Akhade, Managing Director for the remainder period of his contract of appointment starting from 1st April, 2010 to 30th September, 2011. 2. Consent of the Members to increase the payment in remuneration from ` 30,00,000/- per annum to ` 60,00,000/- per annum to Mr. M. Radhakrishnan, Jt. Managing Director for the remainder period of his contract of appointment. starting from 1st April, 2010 to 30th September, 2011 3. Consent of the Members to increase the payment in remuneration from ` 30,00,000/- per annum to ` 60,00,000/- per annum to Mr. Sudhir V. Mungase Wholtime Director for the remainder period of his contract of appointment starting from 1st April, 2010 to 30th September, 2011.

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	<ol style="list-style-type: none"> 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 ` 235 (including a premium of ` 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 ` 250 (including a premium of ` 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.

			<p>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"</p> <p>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 Aniyam Kunju.</p>
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All resolutions as set out in the respective notices were duly passed by the Shareholders.

Resolutions passed through Postal Ballot:

During the year 2012-13, the Company has not passed any special 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 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) 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.

f) 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.

g) 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 (here in after referred as the Code)' with effect from 1st April, 2007.

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.

The code is applicable to all Directors, such designated employees and others who are expected to have access to unpublished price sensitive information relating to the Company. Mr. Ashutosh Kulkarni, Company Secretary has been appointed as Compliance Officer for monitoring adherence to the Regulations.

Means of Communication

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

The Company regularly informs BSE / NSE and also 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.

Other Shareholders related information:

Clause 5A of the Listing Agreement w.r.t. Unclaimed Shares:

In compliance with the amendment to Clause 5A of the Listing Agreement issued by SEBI, the Company has opened a demat account in the name of "Autoline Industries Limited - Unclaimed Securities Suspense Account" for the purpose of transferring the unclaimed shares (Earlier the said account was maintained with R & T Agents, Link Intime India Pvt. Ltd).

As and when any Shareholder approaches the Company or the Registrar and Transfer Agent (RTA) to claim the above said shares, after proper verification, the shares lying in the Unclaimed suspense account shall either be credited to the demat account of the Shareholder or the physical certificates shall be delivered after rematerialising the same, depending on what has been opted by the Shareholder.

Disclosure with respect to shares lying in suspense account:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the Demat Suspense Account lying as on 1st April, 2012	9	249
Number of shareholders who approached issuer for transfer of shares from suspense account during the year;	Nil	Nil
Number of shareholders to whom the shares were transferred from the suspense account during the period	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on 31st March, 2013	9	249

II. NON-MANDATORY REQUIREMENTS

- 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.
- Shareholders' rights - furnishing of quarterly & yearly financial results. The Company's quarterly & financial results are published in English and Marathi newspapers having wide circulation.
- 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, 2011, 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 : Thursday, 26th September, 2013 at 2-30 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, 2013
 Quarterly / Half-yearly results : Second week of November, 2013
 Third quarter results : Second week of February, 2014
 Fourth quarter results : Last week of April, 2014

iii. Dates of book closure : Saturday, 21st September, 2013 to Thursday, 26th September, 2013.
 (both days inclusive).

iv. Dividend payment : On or after 26th September, 2013.

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

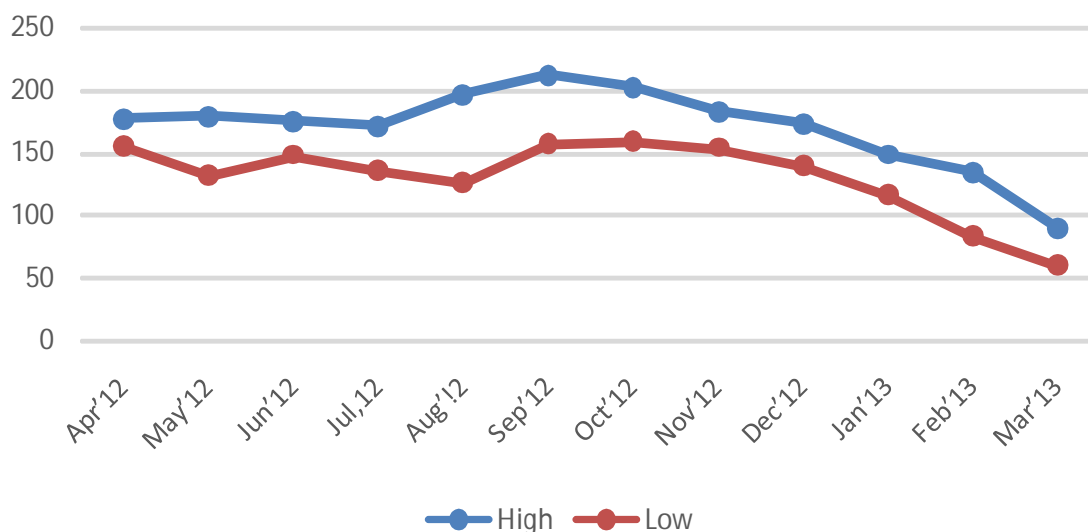
ISIN for Equity shares: INE718H01014

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

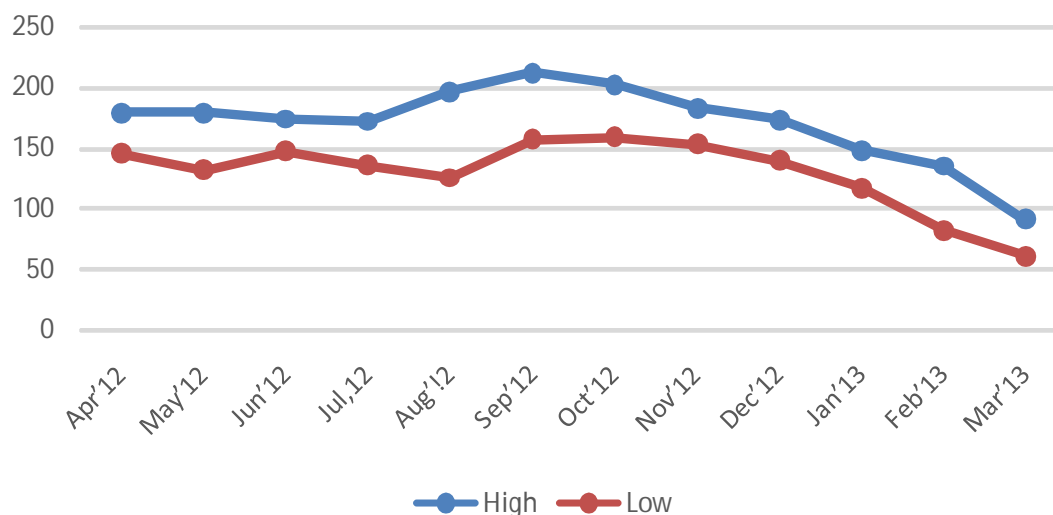
Monthly high and low quotations of shares traded on Stock Exchanges for the period from 1st April, 2012 to 31st March, 2013:

Bombay Stock Exchange Ltd.					National Stock Exchange of India Ltd.			
	AUTOLINE		SENSEX		AUTOLINE		NIFTY	
Month	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr' 12	177.30	155.20	17664.10	17010.16	178.80	146.05	5378.75	5154.30
May' 12	179.00	132.30	17432.33	15809.71	178.90	131.45	5279.60	4788.95
Jun' 12	174.40	148.05	17448.48	15748.98	173.90	147.95	5286.25	4770.35
Jul' 12	171.50	135.55	17631.19	16598.48	171.95	135.50	5348.55	5032.40
Aug' 12	196.00	126.00	17972.54	17026.97	196.45	125.55	5448.60	5164.65
Sep' 12	211.80	156.75	18869.94	17250.80	212.00	156.40	5735.15	5215.70
Oct' 12	202.40	159.10	19137.29	18393.42	202.20	159.15	5815.35	4888.20
Nov' 12	183.10	154.10	19372.70	18255.69	182.90	152.50	5885.25	5548.35
Dec' 12	172.60	140.00	19612.18	19149.03	172.60	140.20	5965.15	5823.15
Jan' 13	148.80	116.10	20203.66	19508.93	148.00	117.10	6111.80	5935.20
Feb' 13	134.55	83.50	19966.69	18793.97	134.50	82.00	6052.95	5671.90
Mar' 13	89.95	60.05	19754.66	18568.43	90.75	61.05	5971.20	5604.85

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-
411001, Phone: (020) - 26161629, 26160084
Fax: 020 26163503
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 fifteen days of receipt, if the documents were correct and valid in all respects. The time taken to process dematerialisation 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, 2013

No of equity shares held	No. of shareholders	% of shareholders	No. of shares held	% of shareholding
1-5000	16900	98.9925	3863554	31.5406
5001-10000	91	0.5330	645924	5.2731
10001-20000	39	0.2284	557307	4.5496
20001-30000	9	0.0527	223941	1.8282
30001-40000	6	0.0351	220982	1.8040
40001-50000	6	0.0351	271988	2.2204
50001-100000	5	0.0293	351612	2.8704
100001 and above	16	0.0937	6114157	49.9137
Total	17072	100.00	12249465	100.00

xi Shareholding as on 31st March 2013

Sr. No	Category	No. of shares held	% of holding
(A)	Shareholding of Promoter & promoter group		
I	Indian		
A	Individuals	2606567	21.28
B	Bodies Corporate	1000000	8.16
II	Foreign	----	----
	Total shareholding of promoter and promoter group - (A)	3606567	29.44
(B)	Public shareholding		
I	Institution		
A	Mutual funds	218	0.00
B	Banks, Financial Institutions	12087	0.10
C	FII's	372000	3.04
	Sub total B (I)	384305	3.14
II	Non Institutions		
A	Bodies corporate	1543984	12.60
B	Individuals holding nominal capital up to ` 1 Lac	3727920	30.43
C	Individuals holding nominal capital in excess of ` 1 Lac	1960979	16.01
D	Clearing member	152543	1.25
E	Foreign national	10763	0.09
F	Non-resident Indian	608532	4.97
G	Foreign Companies	123462	1.01
H	Other Directors and relatives	130410	1.06
	Sub total B (II)	8258593	67.42
	Total Public shareholding B(I) + B(II)	8642898	70.56
(C)	Shares held by custodians against which Depository receipts have been issued	----	----
	TOTAL - (A) +(B)+(C)	12249465	100.00

xii. Dematerialisation of shares and liquidity

As on 31st March, 2013 total dematted shares are 1,21,29,310 i.e. 99.02 % of paid-up equity share capital of the Company.

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

There are no outstanding GDR/warrants or convertible bonds.

xiv. Plant/unit locations:

- 1) S.No. 825, Kudalwadi, Post Chikhali, Taluka -Haveli, Pune- 412 114.
- 2) T-135, MIDC, Bhosari, Pune - 411 026.
- 3) S. Nos. 291 to 295, Nanekarwadi, Chakan, 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, and 8 Sector 11, IIE, TML Vendor Park, SIDCUL, Rudrapur, Uttarakhand - 263 153.
- 9) Plot No 180-D, 186A, Belur Industrial Area Growth Centre, Industrial Area Garag, Opp. High Court, Dharwad, 580011, Karnataka.
- 10) 2/86, 7th Avenue, Ashok Nagar, Chennai - 600 083.

Foreign units locations:

- 1) Autoline Industries USA, Inc :100, Commerce Street, Butler, IN. 46721 USA.
- 2) Autoline Stampings Limited - 431 - 809 779, Gwanyang-dong, Dong-an-gu Anyang-si, Gysonggi-do, South - Korea.
- 3) DEP Autoline, INC.USA : 560 Kirts Blvd., Suite 103, Troy, Michigan - 48084, USA.
- 4) Koderat Investments Limited - Griva Digeni 115, Trident Centre, 3101, Limassol, Cyprus.
- 5) SZ Design Srl & Zagato Srl - Via Arese, 30 - 20017, Terrazzano di Rho (MI) - Italy.

- xv. **Address for correspondence :** Mr. Ashutosh Kulkarni, Company Secretary
Autoline Industries Limited
S.Nos. 313, 314, 320 to 323, Nanekarwadi,
Chakan, Taluka- Khed, Dist- Pune: 410 501,
Tel : +91 2135- 664857; Fax: +91 2135- 664853/64
Email: ashutosh.kulkarni@autolineind.com
Website: www.autolineind.com
Investor Grievance Cell
Email: investorservices@autolineind.com

CEO & CFO CERTIFICATION

To:

The Board of Directors,

Autoline Industries Limited.

We, M. Radhakrishnan, Managing Director & CEO and Ravi Ketkar, 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, 2012 to 31st March, 2013 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

Sd/-

**(M. Radhakrishnan)
Managing Director & CEO**

Place : Pune

Dated : 18th May, 2013.

For Autoline Industries Limited

Sd/-

**(Ravi Ketkar)
Chief Financial Officer**

**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, 2013.

For Autoline Industries Limited

Sd/-

**(M. Radhakrishnan)
Managing Director & CEO**

Place : Pune

Dated : 18th May, 2013.

INDEPENDENT AUDITORS' REPORT

To the Members of
AUTOLINE INDUSTRIES LIMITED.

Report on the Financial Statements

We have audited the accompanying financial statements of Autoline Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) in the case of the Statement of Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Without qualifying our opinion, we draw attention to:-

- Sub-note to note no. 9 regarding non provision for diminishing in value of investment in subsidiary Koderat Investments Limited (Cyprus). The note is self-explanatory. In the given circumstances we are unable to give our opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the companies (Auditor's Report) Amendment order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the company 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 paragraphs 4 and 5 of the said Order to the extent applicable to the company.
2. As required by section 227(3) of the Act, we report that:
 - a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c) the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

**FOR K V M D S & ASSOCIATES,
(FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES)
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO: 121347W**

**PLACE : PUNE.
DATE : 18TH MAY, 2013.**

**VIJAY B SHETH
PARTNER.
MEM. NO. 037634**

ANNEXURE TO AUDITORS' REPORT

[Annexure Referred to in paragraph 1 of the Auditors' Report of even date to the members of AUTOLINE INDUSTRIES LIMITED on the Accounts for the Year Ended on 31st March, 2013]

- 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: (Excluding stock with third parties & material in transit).
 - a) The inventory of the Company has been physically verified by the management during the year at regular interval. In our opinion the frequency of verification is reasonable.
 - b) In our opinion, and according to the information and explanation given to us, the procedures as explained to us and which are followed by the management for physical verification of inventories are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) According to the information and explanation given to us no material discrepancies were noticed on physical verification of inventories as compared to book records, discrepancies noticed were properly dealt with, in the books of accounts, which were not material considering the size of the companies operation.
- 3)
 - a) As per the information and explanation given to us, the company has granted unsecured loan to Autoline Industrial Parks Limited (subsidiary company), which is covered in the Register maintained under Section 301 of the Companies Act 1956. In respect of the said loan, the maximum amount outstanding at any time during the year was ` 10,95,50,545/- and the year-end balance is ` 10,95,50,545/-.
 - b) In our opinion, and according to the information and explanations given to us, 13 % per annum interest has been charged to subsidiary company and other terms and conditions of loan given by the company are not prima facie, prejudicial to the interest of the Company.
 - c) There is no prescribed stipulation of repayment of principal & interest.
 - d) In respect of loan granted by company, the same are repayable 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 interest free unsecured loan from 2 parties covered in the Register maintained under Section 301 of the Companies Act 1956. The total amount of such loans received and outstanding as of 31st March, 2013 is ` 1,45,23,221/-.
 - f) The advance accepted by the company is from Promoters & other party, and as such the terms and conditions of this advance are not prejudicial to the interest of the company.
 - g) There is no prescribed stipulation of repayment of principal & interest.
- 4) In our opinion and according to the information and explanations given to us, there are adequate internal control system 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 and services. During the course of our audit, no major weakness has been noticed in the internal controls system.
- 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 particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
 - b) In our opinion and according to the information and explanations given to us, the transaction made in pursuance of such contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of ` 5 lacs in respect of each party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- 6) According to the information and explanation given to us, the company has not accepted any deposits from public. Therefore, the provisions of Clause 4(vi) of the Order are not applicable to the Company.
- 7) The Company has an internal audit functions carried out during the year by a firm of chartered accountants appointed as internal auditor by the management and in our opinion, company's present internal audit system is commensurate with the size of the company and the nature of its business.
- 8) We have broadly reviewed the books of account maintained by the company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of subsection (1) of section 209 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. The same are verified by external cost auditor appointed by company for carrying cost audit and his report were awaited till date of signing the auditor's report. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

ANNUAL REPORT - 2013

- 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 amount payable in respect of aforesaid dues were outstanding as at 31st March, 2013, for a period of more than six months from the date they became payable except for MVAT ₹ 78,79,137/- and CST ₹ 55,877/-, which is paid before the signing of report.
- b) As at 31st March 2013, according to the records of the Company and on the basis of information and explanations given to us, except for Income Tax & Sales Tax (VAT), there are no disputed dues in respect of Custom Duty, Wealth Tax, Excise Duty, Service Tax and Cess.

Name of the Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Tax Amount involved
Income Tax Act, 1961	Transfer Pricing	Dispute Resolution Panel, Pune	F.Y. 2008-09	₹ 41,13,836/-
The Maharashtra Value Added Tax Act, 2002 / Central Sales Tax Act, 1956	VAT / CST	The Joint Commissioner of Sales Tax (Appeals), Pune	F.Y. 2000-01 F.Y. 2001-02	₹ 1,10,00,000/- ₹ 1,25,00,000/-

- 10) The Company has no accumulated losses as at 31st March, 2013, 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 K V M D S & ASSOCIATES,
(FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES)
CHARTERED ACCOUNTANTS.
FIRM REGISTRATION NO: 121347W**

**PLACE : PUNE.
DATE : 18TH MAY, 2013.**

**VIJAY B SHETH
PARTNER.
MEM. NO. 037634**

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	122,494,650	122,049,690
(b) Reserves and surplus	2	2,196,380,119	2,190,068,821
		<u>2,318,874,769</u>	<u>2,312,118,511</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	749,058,510	887,680,896
(b) Deferred tax liabilities (net)	31	125,985,829	115,815,829
		<u>875,044,339</u>	<u>1,003,496,725</u>
3 Current liabilities			
(a) Short-term borrowings	4	1,545,245,209	1,420,542,782
(b) Trade payables	5	889,292,852	779,874,632
(c) Other current liabilities	6	131,059,356	132,819,891
(d) Short-term provisions	7	14,331,262	82,557,817
		<u>2,579,928,679</u>	<u>2,415,795,121</u>
TOTAL		<u>5,773,847,787</u>	<u>5,731,410,358</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8A	2,600,884,798	2,583,576,518
(ii) Intangible assets	8A	128,824,119	142,520,838
(iii) Capital work-in-progress		193,689,607	147,985,198
(iv) Intangible assets under development		-	-
(v) Fixed assets held for sale		-	-
		<u>2,923,398,523</u>	<u>2,874,082,554</u>
(b) Non-current investments	9	979,568,031	971,641,820
(c) Long-term loans and advances	10	149,842,536	85,286,331
(d) Other non-current assets	11	10,057,817	15,283,959
		<u>4,062,866,907</u>	<u>3,946,294,665</u>
2 Current assets			
(a) Inventories	12	873,844,131	824,886,179
(b) Trade receivables	13	394,874,445	395,801,926
(c) Cash and cash equivalents	14	44,250,081	67,003,094
(d) Short-term loans and advances	15	288,785,759	293,560,480
(e) Other current assets	16	109,226,462	203,864,014
		<u>1,710,980,879</u>	<u>1,785,115,693</u>
TOTAL		<u>5,773,847,787</u>	<u>5,731,410,358</u>

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR KVMDS & ASSOCIATES

FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO. 121347W

For and on behalf of the Board of Directors

VIJAY B SHETH

PARTNER

M. NO. 037634

PRAKASH NIMBALKAR

Chairman

SHIVAJI AKHADE

Managing Director

M. RADHAKRISHNAN

Managing Director and CEO

PLACE : PUNE

DATE : 18th May, 2013

RAVIKETKAR

Chief Financial Officer

ASHUTOSH KULKARNI

Company Secretary

ANNUAL REPORT - 2013

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013 (`)	For the year ended 31 March, 2012 (`)
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	17	6,165,272,000	6,275,689,720
Less: Excise duty	17	432,001,244	438,597,446
Revenue from operations (net)		5,733,270,756	5,837,092,275
2 Other income	18	47,679,444	25,767,242
3 Total revenue (1+2)		5,780,950,200	5,862,859,516
4 Expenses			
(a) Cost of materials consumed	19.a	4,309,176,653	4,353,024,870
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19.b	(171,651,897)	(265,907,258)
(c) Employee benefits expenses	20	374,590,885	315,933,461
(d) Finance costs	21	344,664,866	286,253,422
(e) Depreciation and amortisation expenses	8.B	198,499,324	194,581,327
(f) Other expenses	22	849,254,995	807,611,319
Total expenses		5,904,534,824	5,691,497,141
5 Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)		(123,584,624)	171,362,376
6 Exceptional items	23.a	68,509,848	203,864,014
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		(55,074,776)	375,226,390
8 Extraordinary items	23.b	-	-
9 Profit / (Loss) before tax (7 ± 8)		(55,074,776)	375,226,390
10 Tax expense:			
(a) Current tax expense for current year		1,721,000	70,086,000
(b) (Less): MAT credit (where applicable)		(76,724,358)	(61,887,525)
(c) Current tax expense relating to prior years		118,312	2,048,692
(d) Net current tax expense		(74,885,046)	10,247,167
(e) Deferred tax	31	10,170,000	30,250,000
		(64,715,046)	40,497,167
11 Profit / (Loss) from continuing operations (9 ± 10)		9,640,270	334,729,223
B DISCONTINUING OPERATIONS			
12.i Profit / (Loss) from discontinuing operations (before tax)		-	-
12.ii Gain / (Loss) on disposal of assets / settlement of liabilities attributable to the discontinuing operations		-	-
12.iii Add / (Less): Tax expense of discontinuing operations		-	-
13 Profit / (Loss) from discontinuing operations (12.i ± 12.ii ± 12.iii)		-	-
C TOTAL OPERATIONS (A.11 + B.13)		9,640,270	334,729,223
14 Profit / (Loss) for the year		9,640,270	334,729,223
15 Earnings per share (of ` 10/- each):			
(a) Basic for Continuing Operation	30	1.67	28.33
(b) Diluted for Continuing Operation	30	0.78	27.21

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR KVMDs & ASSOCIATES

FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO. 121347W

For and on behalf of the Board of Directors

VIJAY B SHETH

PARTNER

M. NO. 037634

PRAKASH NIMBALKAR

Chairman

SHIVAJI AKHADE

Managing Director

M. RADHAKRISHNAN

Managing Director and CEO

PLACE : PUNE

DATE : 18th May, 2013

RAVIKETKAR

Chief Financial Officer

ASHUTOSH KULKARNI

Company Secretary

Cash Flow Statement for the year ended 31st March, 2013

Particulars	For the year ended 31-03-2013	For the year ended 31-03-2012
A. Cash Flow from Operating Activities		
Net Profit after Tax	9,640,270	334,729,223
Adjustment for :		
Depreciation	198,499,324	194,581,327
Employee Stock Options	10,778,844	11,049,425
Amortisation of Miscellaneous Expenditure	5,226,141	5,247,887
Deferred Tax Liability (Net)	10,170,000	30,250,000
Operating Profit before Working Capital Changes	234,314,578	575,857,862
Adjustment for :		
Trade Receivable and Other Current Assets	95,113,638	(340,730,443)
Inventories	(48,957,952)	(481,143,196)
Misc. Expenditure	-	-
Trade Payables and Other Current Liabilities	25,099,869	167,968,692
Cash Generated from Operations	305,570,132	(78,047,086)
Net Cash from Operating Activities	305,570,132	(78,047,086)
B. Cash Flow from Investing Activities		
Acquisition of Fixed Assets (Net)	(248,199,997)	(132,002,749)
Investments	(7,926,210)	(137,474,525)
Net Cash from Investing Activities	(256,126,207)	(269,477,274)
C. Cash Flow from Financing Activities		
Proceeds from Borrowings (Net)	(13,919,959)	330,687,545
Dividend	(59,317)	-
Issue of ESOP Share	444,960	-
Premium on ESOP Share	667,440	-
Long-term loans and advances	(64,556,205)	(60,373,917)
Other non-current assets	5,226,142	5,247,887
Net Cash from Financing Activities	(72,196,938)	275,561,515
Net Increase / Decrease in Cash & Cash Equivalent	(22,753,013)	(71,962,845)
Cash & Cash equivalent as at 01.04.2012	67,003,094	138,965,939
Cash & Cash equivalent as at 31.03.2013	44,250,081	67,003,094
Net Increase / Decrease in Cash & Cash Equivalent	(22,753,013)	(71,962,845)

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR KVMDs & ASSOCIATES
FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 18th May, 2013

RAVIKETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

ANNUAL REPORT - 2013

Notes Forming Part of the financial statements

Note 1 Share Capital

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares		Number of shares	
(a) Authorised Equity shares of ₹ 10 each with voting rights	29,500,000	295,000,000	29,500,000	295,000,000
(b) Issued, Subscribed and fully paid up Equity shares of ₹ 10 each with voting rights	12,204,969	122,049,690	12,204,969	122,049,690
Add: ESOP Allotment During the Period	44,496	444,960		
Total	12,249,465	122,494,650	12,204,969	122,049,690

Sub-Note Related to Note 1 :-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights Year ended 31 March, 2013							
- Number of shares	12,204,969	-	-	44,496	-	-	12,249,465
- Amount (₹)	122,049,690	-	-	444,960	-	-	122,494,650
Year ended 31 March, 2012							
- Number of shares	12,204,969	-	-	-	-	-	12,204,969
- Amount (₹)	122,049,690	-	-	-	-	-	122,049,690

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31 March, 2013		As at 31 March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Lincwise Software Private Limited	1,000,000	8.16%	1,000,000	8.19%
Mrs. Rekha Rakesh Jhunjunwala	731,233	5.97%	731,233	5.99%
Mrs. Rema Radhakrishnan	664,717	5.43%	664,717	5.45%
Mr. Shivaji Tukaram Akhade	633,681	5.17%	633,681	5.19%
Religare Finvest Limited	-	-	610,550	5.00%
Total	3,029,631	24.73%	3,640,181	29.82%

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31 March, 2013	As at 31 March, 2012
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash in 2007-08	588,125	588,125
Fully paid up by way of bonus shares in 2006-07	-	2,004,728
Total	588,125	2,592,853

Note 2 Reserves and surplus

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Capital reserve		
Opening balance	-	-
Less: Utilised for Merger	-	-
Closing balance	-	-

(b) Securities premium account		
Opening balance	1,223,200,032	1,223,200,032
Add: Premium received on allotment of 44496 equity Shares pursuant to ESOP - face value of ` 10/- at premium of ` 15/- Per Share.	667,440	-
Add: Premium transferred from Employee Stock outstanding account on allotment of 44496 equity shares at fair value of ` 234.45/- Per Share	10,432,087	-
Closing balance	1,234,299,559	1,223,200,032
(c) Revaluation reserve		
Opening balance	10,213,550	10,598,254
Less: Utilised for set off against depreciation of Revalued Asset	384,704	384,704
Closing balance	9,828,846	10,213,550
(d) Share options outstanding account		
Employee Stock Options Outstanding Account	27,138,291	39,441,888
Less : Deferred Employee Compensation Account	11,094,814	23,745,194
Net Balance	16,043,477	15,696,694
(e) General reserve		
Opening balance	120,227,655	86,727,655
Add: Transferred from surplus in Statement of Profit and Loss	-	33,500,000
Closing balance	120,227,655	120,227,655
(f) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	820,730,890	576,241,348
Add: Profit / (Loss) for the year	9,640,270	334,729,223
Less:		
Dividend paid for FY 2011-2012	51,037	-
Dividend proposed to be distributed to equity shareholders (` 1 per share)	12,249,465	48,819,876
Tax on dividend	2,090,076	7,919,804
Transferred to:		
- General reserve	-	33,500,000
Closing balance	815,980,582	820,730,890
Total	2,196,380,119	2,190,068,821

Note 3 Long-term borrowings

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Term loans		
From banks		
Secured	700,424,833	857,300,089
Unsecured	22,613,280	-
	723,038,113	857,300,089
From other parties	-	-
(b) Trade Deposits		
Secured	-	-
Unsecured	16,000,000	15,176,779
	16,000,000	15,176,779
(c) Deferred payment liabilities		
Secured	-	-
Unsecured	10,020,397	15,204,028
	10,020,397	15,204,028
Total	749,058,510	887,680,896

ANNUAL REPORT - 2013

Sub-note to Note 3

- (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at 31 March, 2013		As at 31 March, 2012	
	Secured	Unsecured	Secured	Unsecured
Term loans from banks:				
Bank of Baroda Term Loan	95,865,565	-	130,446,214	-
Axis Bank Ltd Term Loan-1	253,890,821	-	300,542,349	-
Axis Bank Ltd Term Loan-2	37,555,518	-	109,954,442	-
NKGSB Co-op. Bank Ltd. Term Loans	60,189,486	-	37,124,097	-
Vidya Sahakari Bank Ltd Term Loan	14,848,945	-	8,742,389	-
The Catholic Syrian Bank Ltd Term Loan-1	133,305,692	-	202,538,068	-
The Catholic Syrian Bank Ltd Term Loan-2	53,227,083	-	65,751,532	-
HDFC Auto Loan Bharat Loan (Vehicle Loan)	-	-	343,734	-
HDFC Auto Premium Loan (Vehicle Loan)	-	-	642,761	-
Bank of Baroda (Vehicle Loan)	1,541,723	-	1,159,761	-
Tata Capital Financial Services Ltd. - Hire Purchase Loan	50,000,000	-	-	-
Cosmos Bank (Vehicle Loan)	-	-	54,743	-
Total	700,424,833	-	857,300,090	-
Deferred payment liabilities:				
Deferred sales tax liability	-	10,020,397	-	15,204,028
Total	-	10,020,397	-	15,204,028

Term of Repayment & Security for Secured Loan.

- Bank of Baroda's Term loans are secured by First Charge on Fixed assets of the Company situated at Plot Nos. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at S. No.313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ` 28.60 Lacs and 1 monthly installment of ` 26.60 Lacs.
- Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot no.5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and S.No.313/314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ` 2 Crores, next 3 quarterly installment of ` 5 Crores and 1 installment of ` 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ` 1.875 Crores each.
- Vehicle Loans have been secured by hypothecation of Vehicles.
- The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd. has been secured by charge on Fixed assets of the Company at Plot No E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No 5, Uttarakhand. NKGSB term loan LNM/2 is repayable (including Interest) in 48 monthly installment of ` 9.08 Lacs. NKGSB term loan LNM/3 is repayable (including Interest) in 60 monthly installment of ` 4.81 Lacs. NKGSB term loan LNM/5 is repayable (including Interest) in 60 monthly installment of ` 3.61 Lacs. NKGSB term loan LNM/19 is repayable (including Interest) in 60 monthly installment of ` 7.78 Lacs. NKGSB term loan LNM/46 is repayable (including Interest) in 60 monthly installment of ` 6.03 Lacs. NKGSB term loan LNM/70 is repayable (including Interest) in 60 monthly installment of ` 2.44 Lacs. NKGSB term loan LNM/69 is repayable (including Interest) in 36 monthly installment of ` 14.07 Lacs. Vidya Saha.Bank term loan TL/HPL/426 is repayable (including Interest) in 48 monthly installment of ` 2.04 Lacs. Vidya Saha.Bank term loan TL/HPL/432 is repayable (including Interest) in 60 monthly installment of ` 2.33 Lacs. Vidya Saha.Bank term loan TL/HPL/483 is repayable (including Interest) in 60 monthly installment of ` 2.40 Lacs. Vidya Saha.Bank term loan TL/HPL/486 is repayable (including Interest) in 60 monthly installment of ` 0.60 Lacs. Vidya Saha.Bank term loan TL/HPL/515 is repayable (including Interest) in 60 monthly installment of ` 4.76 Lacs.
- Hire Purchase Loan taken from Tata Capital Financial Services Ltd of Rs. 5 Cr. for fully automatic machinery installed at Plot No. 6 at Uttarakhand. As per Hire Purchase Agreement, loan is secured by same fully automatic machine.
- The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at S. No. 313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ` 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ` 16.67 Lacs each.

Note 4 Short-term borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Loans repayable on demand		
From banks		
Secured	1,222,108,241	1,195,222,919
Unsecured	317,885,221	220,000,000
	1,539,993,462	1,415,222,919
From other parties	-	-
(b) Deposits		
Secured	-	-
Unsecured	-	-
	-	-
(c) Deferred payment liabilities		
Secured	-	-
Unsecured	5,251,747	5,319,863
	5,251,747	5,319,863
Total	1,545,245,209	1,420,542,782

Sub-notes to Note 4:

(i) Details of security for the secured short-term borrowings:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Secured	Unsecured	Secured	Unsecured
Loans repayable on demand from banks:				
Bank of Baroda Term Loan	34,300,000	-	34,327,951	-
Axis Bank Ltd Term Loan-1	80,000,000	-	114,274,657	-
Axis Bank Ltd Term Loan-2	57,300,000	-	41,807,773	-
The Catholic Syrian Bank Ltd Term Loan-1	73,692,000	-	70,570,755	-
The Catholic Syrian Bank Ltd Term Loan-2	20,004,000	-	22,909,941	-
HDFC Auto Loan Bharat Loan (Vehicle Loan)	110,218	-	182,837	-
HDFC Auto Premium Loan(Vehicle Loan)	410,630	-	341,894	-
Bank of Baroda Vehicle Loan	1,064,688	-	799,836	-
NKGSB Co-op. Bank Ltd.Term Loans	48,522,277	-	36,530,192	-
Vidya Sahakari Bank Ltd Term Loan	11,836,319	-	8,330,983	-
Cosmos Bank Vehicle Loan (Indigo CS)	-	-	52,166	-
Bank of Baroda CC A/c	609,028,613	-	575,874,296	-
The Catholic Syrian Bank Ltd. CC A/c	251,326,016	-	252,691,726	-
NKGSB Co-op. Bank CC A/c	34,513,479	-	36,527,911	-
Total	1,222,108,241	-	1,195,222,917	-
Deferred payment liabilities:				
Deferred sales tax liability		5,251,747		5,319,863
Total		5,251,747		5,319,863

Term of Repayment & Security for Secured Loan.

- Bank of Baroda's loans are secured by First Charge on Fixed assets of the Company situated at Plot nos. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at S. No.313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ₹ 28.60 Lacs and 1 monthly installment of ₹ 26.60 Lacs.
- Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot Nos.5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and S. No.313,314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ₹ 2 Crores, next 3 quarterly installment of ₹ 5 Crores and 1 installment of ₹ 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ₹ 1.875 Crores each.
- Vehicle Loans have been secured by hypothecation of Vehicles.
- The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd. has been secured by charge on Fixed assets of the Company at Plot No. E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No. 5 at Uttarakhand.
NKGSB term loan LNM/2 is repayable (including Interest) in 48 monthly installment of ₹ 9.08 Lacs.
NKGSB term loan LNM/3 is repayable (including Interest) in 60 monthly installment of ₹ 4.81 Lacs.
NKGSB term loan LNM/5 is repayable (including Interest) in 60 monthly installment of ₹ 3.61 Lacs
NKGSB term loan LNM/19 is repayable (including Interest) in 60 monthly installment of ₹ 7.78 Lacs
NKGSB term loan LNM/46 is repayable (including Interest) in 60 monthly installment of ₹ 6.03 Lacs.

ANNUAL REPORT - 2013

NKGSB term loan LNM/70 is repayable (including Interest) in 60 monthly installment of ` 2.44 Lacs

NKGSB term loan LNM/69 is repayable (including Interest) in 36 monthly installment of ` 14.07 Lacs.

Vidya Saha. Bank term loan TL/HPL/426 is repayable (including Interest) in 48 monthly installment of ` 2.04 Lacs

Vidya Saha. Bank term loan TL/HPL/432 is repayable (including Interest) in 60 monthly installment of ` 2.33 Lacs.

Vidya Saha. Bank term loan TL/HPL/483 is repayable (including Interest) in 60 monthly installment of ` 2.40 Lacs.

Vidya Saha. Bank term loan TL/HPL/486 is repayable (including Interest) in 60 monthly installment of ` 0.60 Lacs.

Vidya Saha. Bank term loan TL/HPL/515 is repayable (including Interest) in 60 monthly installment of ` 4.76 Lacs.

5. The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at S. No.313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ` 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ` 16.67 Lacs each.

6. The working capital loan from the above banks have been secured by hypothecation of current assets of the company.

Note 5 Trade payables

Particulars	As at 31st March, 2013	As at 31st March, 2012
Trade payables: (including acceptances) MSM Enterprises	883,263,175 6,029,676	773,470,418 6,404,214
Total	889,292,852	779,874,632

Note 6 Other current liabilities

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Unpaid dividends	790,716	677,082
(b) Interest accrued & due on borrowings	2,953,312	-
(c) Other payables		
(i) Statutory remittances:-		
VAT/CST Payable	55,403,388	56,225,536
Excise Duty Payable	4,732,757	
Service Tax Payable	3,232,151	329,600
TDS Payable	3,786,771	3,353,334
PF & ESIC Payable	3,721,509	3,770,148
PT Payable	648,371	285,600
Property Tax Payable	-	193,831
(ii) Payables on purchase of fixed assets	11,103,998	22,271,024
(iii) Interest on MSM Enterprises	1,565,697	867,206
(iv) Employee's Loan Repayment	547,535	92,473
(v) Payable for employee benefits:-		
(i) Payable for Bonus	10,525,901	7,853,505
(ii) Payable for Salary	20,461,374	22,708,549
(iii) Payable for Leave Encashment	5,201,361	5,823,283
(iv) Payable for Staff Welfare Expenses	826,035	437,401
(vi) Payable for Electricity Expenses	636,973	2,465,393
(vii) Payable for Open GRN	233,373	1,084,762
(viii) Payable for Expenses	4,466,329	3,448,740
(ix) Payable for Professional Fees	69,631	689,940
(x) Payable for Telephone, Internet & Postage	152,173	212,484
(xi) Payable for Rent	-	30,000
Total	131,059,356	132,819,891

Note 7 Short-term provisions

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Provision - Others:		
(i) Provision for tax (net of advance tax)	-	25,818,136
(ii) Provision for Proposed Dividend	12,249,465	48,819,876
(iii) Provision for Tax on Proposed Dividend	2,081,797	7,919,804
Total	14,331,262	82,557,817

Notes Forming Part of Balance Sheet as at 31st March 2013

NOTE NO. 8 A : FIXED ASSETS :

Sr No	TANGIBLE ASSET	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		AS ON 01.04.2012	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	AS ON 31.03.2012
1	LAND & DEVELOPMENT	54,629,347	-	-	-	54,629,347	-	-	-	54,629,347	54,629,347
2	LAND - LEASE HOLD	69,310,633	6,117,860	-	-	75,428,493	-	-	-	1,530,512	73,897,981
3	BUILDING	910,933,620	23,874,424	-	-	934,808,044	30,501,780	-	-	143,561,359	791,246,685
4	BUILDING - OFFICE	-	1,549,000	-	-	1,549,000	18,954	-	-	18,954	1,530,046
5	PLANT & MACHINERY	1,379,946,961	161,566,901	-	-	1,541,513,862	67,347,438	-	-	322,183,544	1,219,330,318
6	TOOLS AND DIES	545,130,102	-	-	-	545,130,102	61,854,234	-	-	222,768,872	322,361,230
7	COMPUTERS AND SOFTWARES	86,096,567	1,749,861	-	-	87,846,428	14,050,641	-	-	64,987,939	22,858,489
8	ELECTRICAL FITTINGS	108,383,470	5,360,899	-	-	113,744,369	6,936,714	-	-	35,631,090	78,113,279
9	FURNITURE	23,454,812	961,128	-	-	24,415,940	1,515,766	-	-	9,008,846	15,407,094
10	VEHICLES	27,164,149	1,346,334	-	2,029,731	26,480,752	2,573,031	-	1,043,193	13,645,717	12,835,035
11	OFFICE EQUIPMENTS	11,994,081	955,723	-	-	12,949,804	588,750	-	-	4,274,509	8,675,295
	TOTAL	3,217,043,742	203,482,129	-	2,029,731	3,418,496,140	185,187,308	-	1,043,193	817,611,342	2,600,884,798

Note : - Plant & Machinery Includes Hire Purchase Asset, which is capitalised during the year. For same Hire Purchase Agreement is executed with Tata Capital Financial Services Limited.

Sr No	INTANGIBLE ASSET	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		AS ON 01.04.2012	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	AS ON 31.03.2012
1	R & D PROCESS DEVELOPMENT	194,134,394	-	-	-	194,134,394	9,706,720	-	-	79,823,713	114,310,682
2	INTANGIBLE ASSETS	39,900,000	-	-	-	39,900,000	3,990,000	-	-	25,386,563	14,513,437
3	TRADE MARK	20,500	-	-	-	20,500	-	-	-	20,500	-
	TOTAL	234,054,894	-	-	-	234,054,894	13,696,720	-	-	105,230,776	128,824,119

Sr No	WORK IN PROGRESS	GROSS BLOCK				DEPRECIATION			NET BLOCK		
		AS ON 01.04.2012	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	AS ON 31.03.2012
1	CAPITAL WIP	147,985,198	200,955,107	155,250,698	-	193,689,607	-	-	-	193,689,607	147,985,198
	TOTAL	147,985,198	200,955,107	155,250,698	-	193,689,607	-	-	-	193,689,607	147,985,198
	Grand Total	3,599,083,834	404,437,236	155,250,698	2,029,731	3,846,240,641	198,884,028	-	1,043,193	922,842,118	2,923,398,523

NOTE 8 B - DEPRECIATION AND AMORTISATION RELATING TO CONTINUING OPERATIONS:

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
Depreciation and amortisation for the year on tangible assets as per Note 8 A		185,187,308		167,572,672
Depreciation and amortisation for the year on intangible assets as per Note 8 A		13,696,720		27,393,358
Less: Utilised from revaluation reserve		384,704		384,704
Depreciation and amortisation relating to continuing operations		198,499,324		194,581,326

ANNUAL REPORT - 2013

Note 9 Non-current investments

Particulars	As at 31st March, 2013			As at 31st March, 2012		
	Quoted	Unquoted	Total	Quoted	Unquoted	Total
Investments (At cost):						
A. Trade						
(a) Investment in equity instruments						
(i) Subsidiaries						
- Autoline Design Software Limited 21,40,816 (As at 31 March, 2012: 21,40,816) shares of ₹ 10 each fully paid	-	36,788,900	36,788,900	-	36,788,900	36,788,900
- Autoline Industrial Parks Ltd. 2,48,25,000 (As at 31 March, 2012: 2,48,25,000) shares of ₹ 10 each fully paid	-	165,499,940	165,499,940	-	165,499,940	165,499,940
- Koderat Investments Ltd. (Cyprus) 1,000 (As at 31 March, 2012: 1,000) shares of Euro 1 each fully paid	-	67,280	67,280	-	67,280	67,280
- Koderat Investments Ltd. (Cyprus) * Advance for investment in SZ Design SRL & Zagato SRL, Italy	-	346,798,072	346,798,072	-	338,350,511	338,350,511
- Autoline Industries USA Inc 211 (As at 31 March, 2012 : 211 Stock/Share fully paid and non assessable shares of the common stock.	-	90,166,860	90,166,860	-	90,166,860	90,166,860
(ii) Associates						
- DEP Autoline Inc., USA 30,600 (As at 31 March, 2012: 30,600) Shares of \$ 1 each fully paid	-	324,362,719	324,362,719	-	324,362,719	324,362,719
- Nuvent Technologies Pvt. Ltd 25,500 (As at 31 March, 2012: 25,500) shares of ₹ 10 each fully paid	-	255,000	255,000	-	255,000	255,000
Total (a)	-	963,938,771	963,938,771	-	955,491,210	955,491,210
(b) Investment in preference shares						
(i) Subsidiaries						
- Autoline Design Software Limited ** 14,12,926 (As at 31 March, 2012: 14,12,926) 12% Cumulative Redeemable Pref. Share of ₹ 10 each fully paid	-	14,129,260	14,129,260	-	14,129,260	14,129,260
Total (b)	-	14,129,260	14,129,260	-	14,129,260	14,129,260
Total - Trade (a + b)	-	978,068,031	978,068,031	-	969,620,470	969,620,470
B. Other investments						
(a) Investment in equity instruments						
(i) Other Entities						
- Rupee Co -Op Bank Ltd. 20000 (As at 31 March, 2012: 20000) shares of ₹ 25 each fully paid	-	500,000	500,000	-	878,550	878,550
- Cosmos Co-op. Bank Ltd. Equity Shares NIL (As at 31 March, 2012: 13280) shares of ₹ 10 each fully paid	-	-	-	-	132,800	132,800
- NKGSB Co-op. Bank Ltd. Equity Shares 50000 (As at 31 March, 2012: 50000) shares of ₹ 10 each fully paid	-	500,000	500,000	-	500,000	500,000
- Vidya Sahakari Bank Ltd. Equity Shares 5000 (As at 31 March, 2012: 5000) shares of ₹ 100 each fully paid	-	500,000	500,000	-	500,000	500,000
- Saraswat Co-op. Bank Ltd. Equity Shares NIL (As at 31 March, 2012: 1000) shares of ₹ 10 each fully paid	-	-	-	-	10,000	10,000
Total Other Investments (a)	-	1,500,000	1,500,000	-	2,021,350	2,021,350
Total Investments (A + B)	-	979,568,031	979,568,031	-	971,641,820	971,641,820

**** Sub-note to Note 9 -** 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. "The Company has invested Euro 5.06 Million including acquisition expenses (Balance on 31.03.2013 in INR ₹ 34,67,98,072) in wholly owned subsidiary, Koderat Investments Ltd. (Cyprus). In turn the subsidiary utilized the same for investment in S.Z. Design SRL and Zagato SRL Milan Italy. S.Z. Design SRL and Zagato SRL Milan Italy have issued 49% of equity shares to Koderat Investments Ltd(Cyprus). "Further to Note-10 on page-77 in Notes to Accounts of the Annual Report 2010, Concordato Preventivo procedure under Italian Laws, originally scheduled on 20th September, 2011 was postponed to 20th October, 2011 and was finally held on 23rd February, 2013 however the tribunal/ Italian courts had reserved the decision. Till date the Concordato Preventivo has not given any decision."

**** Sub-note to Note 9 -** Out of the above, 5 lacs preference shares each are redeemable on 23rd , 25th April, 2022 respectively & balance 412926 preference shares on 27th April, 2022.(previous due date of redemption was 23th, 25th and 27th April 2012 respectively but from 20th April 2012 date was extended above mentioned date)

Note 10 Long-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Advance income tax (net of provisions) Unsecured, considered good	11,230,653	8,398,806
(b) MAT credit entitlement - Unsecured, considered good	138,611,883	61,887,525
(c) Balances with government authorities Unsecured, considered good		
(i) Advance for I.T. Appeal F Y. 07-08	-	15,000,000
Total	149,842,536	85,286,331

Note 11 Other non-current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Unamortised expenses		
(i) Deferred Revenue Expenditure	10,057,817	15,283,959
(ii) Pre-Operative Expenses	-	-
Total	10,057,817	15,283,959

Note 12 Inventories

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Raw materials (including spare, tools, consumable & Bought out)	342,376,551	465,070,496
(b) Work-in-progress	472,905,274	289,200,712
(c) Finished goods (other than for trading)	58,562,306	70,614,971
Total	873,844,131	824,886,179
(Inventories valued at lower of cost and net realisable value)		

Note 13 Trade receivables

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
Trade receivables outstanding - (exceeding six months from the date they were due for payment)		
Secured, considered good	-	-
Unsecured, considered good	6,215,850	5,666,813
Doubtful	-	-
	6,215,850	5,666,813
Trade receivables outstanding - (Less than six months from the date they were due for payment)		
Secured, considered good	-	-
Unsecured, considered good	388,658,595	390,135,113
Doubtful	-	-
	388,658,595	390,135,113
Total	394,874,445	395,801,926

ANNUAL REPORT - 2013

Note 14 Cash and cash equivalents

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Cash in hand	96,666	240,566
(b) Cheque, drafts on hand	-	-
(c) Balances with banks		
(i) In current accounts	4,755,223	17,505,372
(ii) In deposit accounts (Maturing within 12 months)	37,525,633	13,177,762
(iii) In deposit accounts (Maturing after 12 months)	1,081,843	35,402,311
In earmarked accounts		
(iv) - Unpaid dividend accounts	790,716	677,083
Total	44,250,081	67,003,094

Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is -

44,250,081 67,003,094

Note 15 Short-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Security deposits		
Secured, considered good	-	-
Unsecured, considered good	14,699,141	12,825,923
Doubtful	-	-
	14,699,141	12,825,923
(b) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	310,364	509,093
Doubtful	-	-
	310,364	509,093
(c) Prepaid expenses	4,884,760	118,60808
	4,884,760	118,60808
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	134,921,175	159,525,073
(ii) Deposit for Sales Tax Appeal	5,000,000	5,000,000
(iii) Excise Rebate Claim	4,708,561	1,256,858
	144,629,736	165,781,930
(e) Inter-Corporate Loan & Advances		
Secured considered goods	-	-
Unsecured considered goods	109,550,545	102,582,725
Doubtful	-	-
	109,550,545	102,582,725
(f) Advance income tax (net of provisions) - Unsecured, considered good	14,711,213	-
Total	288,785,759	293,560,480

Note 16 Other current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Others		
(i) Industrial Promotion Subsidy Receivable	99,103,862	203,864,014
(ii) Receivable from Directors for remuneration u/s 349	3,600,000	-
Dividend Receivable	6,522,600	-
Total	109,226,462	20,386,4014

Note 17 Revenue from operations

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Sale of products	5,618,139,244	5,721,846,684
(b) Sale of services	-	-
(c) Other operating revenues	547,132,756	553,843,036
	6,165,272,000	6,275,689,720
Less:		
(d) Excise duty	432,001,244	438,597,446
Total	5,733,270,756	5,837,092,275

* Above mention sale of products are after Penalty from TML Rs. 1.05 Cr and Warranty Failed (TML) Rs. 0.07 Cr. As per Management it is related to Sales, hence deducted.

Note 18 Other income

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Interest income	29,951,645	20,602,174
(b) Dividend income: from current investments others	10,985,395	53,535
	-	-
(c) Net gain/(loss) on sale of Asset	(630,982)	(311,307)
(d) Net gain on foreign currency transactions and translation	1,344,493	1,689,547
(e) Other non-operating income	6,028,893	3,733,293
Total	47,679,444	25,767,242

Note 19.a Cost of materials consumed

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Opening stock	465,070,496	249,834,559
Add: Purchases	4,186,482,708	4,568,260,807
	4,651,553,204	4,818,095,366
Less: Closing stock	342,376,551	465,070,496
Cost of material consumed	4,309,176,653	4,353,024,870
Material consumed comprises: Steel		
Total	4,309,176,653	4,353,024,870

Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Inventories at the end of the year:		
Finished goods	58,562,306	70,614,971
Work-in-progress	472,905,274	289,200,712
	531,467,580	359,815,683
Inventories at the beginning of the year:		
Finished goods	70,614,971	41,317,539
Work-in-progress	289,200,712	52,590,886
	359,815,683	93,908,425
Net (increase) / decrease	(171,651,897)	(265,907,258)

ANNUAL REPORT - 2013

Note 20 Employee benefits expense

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Salaries, Wages and Bonus	309,070,456	252,691,078
Contributions to provident and other funds	12,454,183	10,307,785
Contributions to Gratuity	3,471,332	5,603,562
Expense on employee stock option (ESOP) scheme	10,778,844	11,049,425
Employee Insurance	10,997,038	8,778,721
Staff welfare expenses	25,506,049	24,062,182
Leave Encashment	2,312,982	3,440,707
Total	374,590,885	315,933,461

Note 21 Finance costs

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
(a) Interest expense on:		
(i) Borrowings	293,612,389	222,888,495
(ii) LC Charges	20,890,680	26,910,870
(iii) Others		
- Interest on delayed / deferred payment of taxes	7,486,971	11,952,939
- Others	2,244,056	2,509,488
(b) Other borrowing costs	7,632,080	3,315,510
(c) Net loss on foreign currency transactions and translation	-	-
(d) Bank Charges & Commission	12,798,691	18,676,120
Total	344,664,866	286,253,422

Note 22 Other expenses

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Manufacturing Expenses		
Labour Charges	358,720,583	338,784,162
Power and fuel	106,766,641	98,439,883
Transport & Octroi	103,315,538	109,441,090
Transport Outward	73,054,894	45,025,982
Testing & Inspection Charges	2,805,583	2,105,686
Water Charges	2,042,569	2,933,000
Repairs and maintenance - Machinery	22,741,085	15,220,972
Weighing Charges	445,152	569,810
Administrative & Other Expenses		
Repairs and maintenance - Buildings	2,716,797	2,547,684
Repairs and maintenance - Vehicles	2,804,872	2,477,307
Repairs and maintenance - Computer	1,591,963	1,499,813
Repairs and maintenance - Others	1,962,682	3,892,597
ERP & Software License Charges	7,541,083	2,545,568
Rent including lease rentals	2,214,512	930,758
Insurance Others	1,893,310	695,839
Insurance - Vehicles	501,358	301,163
Rates and taxes	7,270,056	3,785,414
Communication & Internet Charges	7,416,201	6,758,086

Travelling and conveyance	14,984,695	14,479,330
Foreign Travel Expenses	966,197	2,647,136
Printing and stationery	5,202,801	4,633,777
Member & Subscription	136,748	181,136
Business promotion	928,539	1,061,944
Donations and contributions	32,000	11,000
Legal and professional fee	31,929,304	31,327,324
Director Sitting Fees	865,000	1,255,000
Security Charges	12,860,683	10,039,627
Housekeeping Charges	6,296,525	5,862,316
Audit Expenses	760,683	32,940
Payments to auditors (See Sub-Note 22(i))	4,742,929	4,375,579
Preliminary & Miscellaneous Expenses written off	5,226,141	5,247,887
Sundry Balance written off (Net)	2,081,727	261,542
Prior period items (See Sub-Note 22(ii))	54,615,834	82,421,133
Miscellaneous expenses	1,820,310	5,818,833
Total	849,254,995	807,611,319

Sub-note to Notes 22

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	3,000,000	2,750,000
As auditors - Internal audit	1,206,180	1,200,000
Income Tax Matter	100,000	120,507
Reimbursement of expenses	436,749	305,072
Total	4,742,929	4,375,579
(ii) Details of Prior period items (net)		
<u>Prior period expenses-</u>		
Sales Tax Liability	52,401,574	82,421,133
Legal and professional fee	253,219	-
TDS Payment	1,479,152	-
Other Charges	481,890	-
Prior period income	-	-
Total	54,615,834	82,421,133

Note 23.a Exceptional items

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Industrial Promotion Subsidy	68,509,848	203,864,014
Total	68,509,848	203,864,014

Note 23.b Extraordinary items

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Extraordinary Items	-	-
Total	-	-

ANNUAL REPORT - 2013

Note 24 Disclosures under Accounting Standard - 11 (The Effects of Changes in Foreign Exchange Rates)

The net exchange fluctuations profit of ₹ 13,44,493/- (Previous Year:- ₹ 16,89,547/-) has been credited to the Profit & Loss account.

Note 25 Disclosures under Accounting Standard - 12 (Accounting for Government Grants)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Details of government grants		
Government grants received by the Company during the year towards		
- Subsidies (recognised under Industrial Promotion Subsidy)	68,509,848	203,864,014
- Duty drawback (recognised under Other operating revenues)	885,169	169,034
	69,395,017	204,033,048

Note 26 Disclosures under Accounting Standard - 15 (Employee benefit plans)

Employee benefit plans

Defined contribution plans

The Company makes Provident Fund contributions to Employee Provident Fund Organisation for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- Gratuity - Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation of India.
- Other defined benefit plans - Medi Claim and Personal Accident Policy.

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31 March, 2013		Year ended 31 March, 2012	
	Gratuity	Other defined benefit plans (Medi Claim)	Gratuity	Other defined benefit plans (Medi Claim)
Actual contribution To Benefit Plan for year				
Actual contributions	3,471,332	10,937,707	5,603,562	8,719,712

Note 27 Disclosures under Accounting Standards - 16 (Borrowing Cost)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year		
- as fixed assets - Tangible assets	10,980,537	10,725,328
- as fixed assets - Capital WIP Tangible assets	15,089,540	4,274,672
Total	26,070,077	15,000,000

Note 28 Disclosures under Accounting Standards - 17 (Segment Reporting)

The company is in the business of dealing and manufacturing of pressed sheet metal auto components and assemblies which are 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.

A. Note 29 Disclosures under Accounting Standards - 18 (Related party transactions)

1. Details of related parties:

Description of relationship	Names of related parties
1) Subsidiaries	Indian
	i) Autoline Design Software Ltd.

<p>2) Associates</p> <p>3) Key Management Personnel (KMP) Chairman Emeritus Chairman (Non-executive Director) Managing Director Managing Director & CEO Wholtime Director</p> <p>4) Relatives of KMP</p> <p>5) Companies/Entities in which KMP / Relatives of KMP can exercise significant influence</p>	<p>ii) Autoline Industrial Parks Ltd.</p> <p>Foreign</p> <p>i) Autoline Industries USA INC ii) Koderat Investments Ltd., Cyprus iii) Autoline Stampings Ltd, Korea (Subsidiary of Autoline Industries USA INC.)</p> <p>Indian</p> <p>i) Nuvent Technologies Pvt. Ltd.</p> <p>Foreign</p> <p>i) DEP Autoline Inc., USA</p> <p>Mr. Vilas Lande Mr. Prakash B. Nimbalkar Mr. Shivaji Akhade Mr. M. Radhakrishnan Mr. Sudhir Mungase -</p> <p>i) Balaji Enterprises ii) Shreeja Enterprises iii) Sumeet Developers iv) Sumeet Packers Pvt. Ltd. v) Siddhai Platers Private Ltd. vi) Om Sai Transport Co. vii) Hotel Vishwa Vilas viii) Hotel Aishwarya Restaurant ix) Lincwise Software P. Ltd x) Mr. Nitin Namdeo Devkar</p>
<p>Note: Related parties have been identified by the Management and relied upon by the Auditors.</p>	

2. Details of related party transactions during the year ended 31 March, 2013:

Particulars	Subsidiaries / Associates	Entities in which KMP / relatives of KMP have significant influence	KMP	Total
Purchase of goods				
Current Year	14,430,890	48,789,993	-	63,220,883
Previous Year	11,408,144	44,457,599	-	55,865,743
Sale of goods				
Current Year	89,374,670	11,510,546	-	100,885,216
Previous Year	70,595,582	13,484,845	-	84,080,427
Transportation				
Current Year	-	11,679,387	-	11,679,387
Previous Year	-	12,131,574	-	12,131,574
Repair & Maintenance Charges				
Current Year	360,000	-	-	360,000
Previous Year	360,000	-	-	360,000
Rent Paid				
Current Year	-	75,000	-	75,000
Previous Year	-	-	-	-
Rent Received				
Current Year	12	-	-	12
Previous Year	12	-	-	12

ANNUAL REPORT - 2013

Interest Received					
Current Year	12,512,939	-	-	12,512,939	
Previous Year	4,016,292	-	-	4,016,292	
Rendering of services					
Current Year	3,000,000	-	-	3,000,000	
Previous Year	3,000,000	-	-	3,000,000	
Receiving of services					
Current Year	11,693,679	74,449	2,040,000	13,808,128	
Previous Year	10,704,776	333,773	1,800,000	12,838,549	
Dividend Received					
Current Year	4,412,800	-	-	4,412,800	
Previous Year	-	-	-	-	
Dividend Receivable					
Current Year	6,522,600	-	-	6,522,600	
Previous Year	-	-	-	-	
Unsecured Loan Given					
Current Year	5,631,890	-	-	5,631,890	
Previous Year	57,709,590	-	-	57,709,590	
Unsecured Loan Received					
Current Year	-	4,823,221	9,700,000	14,523,221	
Previous Year	-	-	-	-	
Advance Given					
Current Year	8,447,560	-	-	8,447,560	
Previous Year	88,486,025	-	-	88,486,025	
Directors Remuneration					
Current Year	-	-	18,000,000	18,000,000	
Previous Year	-	-	18,000,000	18,000,000	
Excess Remuneration Recoverable from Directors					
Current Year	-	-	3,600,000	3,600,000	
Previous Year	-	-	-	-	
Commission					
Current Year	-	-	-	-	
Previous Year	-	-	400,000	400,000	
Director Sitting Fees					
Current Year	-	-	480,000	480,000	
Previous Year	-	-	630,000	630,000	

Note30 Disclosures under Accounting Standards - 20 (Earning Per Share)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
1. Basic Earning Per Share		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	9,640,270	334,729,223
Addback : Amortised Cost for ESOP	10,778,844	11,049,425
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	20,419,114	345,778,648
Weighted average number of equity shares	12,225,484	12,204,969
Par value per share	10	10
Earnings per share from continuing operations - Basic	1.67	28.33

2. Diluted Earning Per Share		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	20,419,114	345,778,648
Less: Preference dividend and tax thereon -	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	20,419,114	345,778,648
Add: Interest expense and exchange fluctuation on convertible bonds(net)	-	-
Less: Amortised cost for ESOP	(10,778,844)	(11,049,425)
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	9,640,270	334,729,223
Weighted average number of equity shares for Basic EPS	12,225,484	12,204,969
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	69,318	98,553
Weighted average number of equity shares - for diluted EPS	12,294,802	12,303,522
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	0.78	27.21

Note 31 Disclosures under Accounting Standards - 22 (Deferred Tax Asset/Liability)

Particulars	As at 31 March, 2013	As at 31 31 March, 2012
Deferred Tax Liability :		
Opening Balance :	115,815,829	85,565,829
Add: Tranferred from Merged Entities	-	-
Add: Current Year Provision	10,170,000	30,250,000
Closing Balance	125,985,829	115,815,829
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	96,608,529	117,883,677
Deferred Tax Asset	2,067,848	2,067,848
Deferred Tax Liabilities (Net)	94,540,681	115,815,829
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	86,438,529	86,438,529
Add: Tranferred from Merged Entities	-	-
Add: Current Year Provision	10,170,000	31,445,148
Total	96,608,529	117,883,677
Deferred Tax Assets :		
Tax impact of expenses allowable as deduction in future years under Income Tax :	2,067,848	872,700
Less: Tranferred to share premium a/c	-	-
Add: Current Year Provision	-	1,195,148
Closing Balance	2,067,848	2,067,848

The deferred tax liability (Net) for the year under consideration amounting to ` 1,01,70,000/- has been recognized in Profit and Loss Account. The Provision for Deferred Tax Liability for the current year of ` 1,01,70,000/- is provided on the timing difference of the expenditure, depreciation and write offs.

Note 32 Disclosures on Employee share based payments - (Guidelines notes issued by ICAI)

a) In the 12th Annual General Meeting held on 27th Sept, 2008, the shareholders approved the issue of 8,50,000 options under the Scheme titled "Autoline ESOS 2008" (ESOP A).

The ESOP allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad), & Companies Directors. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The options granted vest over a period of 5 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 5 years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

ANNUAL REPORT - 2013

b) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended 31 March, 2013		During the year ended 31 March, 2012	
	Options (Numbers)	Weighted average exercise price per option (`)	Options (Numbers)	Weighted average exercise price per option (`)
Option outstanding at the beginning of the year :				
- ESOP (Employee)	148,540	25	155,691	25
- ESOP (Director)	15,000	25	15,000	25
Granted during the year:				
- ESOP (Employee)	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Vested during the year:				
- ESOP(Employee)	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Exercised during the year:				
- ESOP (Employee)	39,493	25	Nil	-
- ESOP (Director)	5,003	25	Nil	-
Lapsed during the year:				
- ESOP (Employee)	3,292	25	7,151	25
- ESOP (Director)	Nil	-	Nil	-
Options outstanding at the end of the year:				
- ESOP (Employee)	105,755	25	148,540	25
- ESOP (Director)	9,997	25	15,000	25
Total Options available for grant:				
- ESOP	689,752	25	686,460	25

c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	31 March, 2013	31 March, 2012
Risk Free Interest Rate	7.00%	7.00%
Expected Life	Average life taken as 1 year from date of Grant (Vest)	Average life taken as 1 year from date of Grant (Vest)
Expected Annual Volatility of Shares	45%	45%
Expected Dividend Yield	Not separately included, factored in volatility working	Not separately included, factored in volatility working

Note 33 Previous year's figures

Disclosure and presentation made in the financial statements as per Revised Schedule VI. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 34 Additional information to the financial statements

1. Contingent liabilities and commitments

Particulars	As at 31 March, 2013	As at 31 March, 2012
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
- Income Tax Department For Assessment Year 08-09	-	29,296,660
- Income Tax Department For Assessment Year 09-10	4,113,836	-
- Sales Tax Duties For Assessment Year 01-02 & 02-03	23,500,000	23,500,000
- Arbitration Petition filed by Uppal Builders P. Ltd.	18,489,510	-
(b) Bank Guarantees		
- In Favour of Ashok Leyland Nissan Vehicles Ltd, Chennai.	5,200,000	-
- In Favour of Regional officer Maharashtra Pollution Control Board, Mumbai	500,000	-
- In Favour of Tata Motors Limited	1,950,000	-

(c) Corporate Guarantees on behalf of Autoline Industries Indiana LLC, USA (wholly owned subsidiary of Autoline Industries USA, Inc) - In Favour of Tower Bank Trust Company	\$10,500,000	\$6,150,000
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
Tangible assets	75,000,000	100,000,000
Intangible assets	-	-

2. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2013	As at 31 March, 2012
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,029,676	6,404,214
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1,565,697	867,206
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	1,565,697	867,206
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1,565,697	867,206
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	142,347	97,461

Note :- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

3. Value of imports calculated on CIF basis

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Raw materials & Component	35,205,981	36,637,671
Capital goods	-	60,357,339

4. Expenditure in foreign currency

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Foreign Travel	116,759	605,754
Professional and consultation fees	918,573	4,365,107
Testing Charges	155,080	41,650
Clearing and Forwarding Charges	5,781,818	-
Repayment of Loan	92,747,365	122,105,128
Interest - Bank	1,775,953	4,910,042

5. Amounts remitted in foreign currency during the year on account of dividend

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Amount of dividend remitted in foreign currency (`)	1,359,164	1,032,837
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	7	7
Total nos.of shares held by them on which dividend was due	339,791	344,279
Year to which the dividend relates	2011-12	2010-11

ANNUAL REPORT - 2013

6. Details of consumption of imported and indigenous items

Particulars	For the year ended 31 March, 2013	
		%
Imported		
Raw materials & Component		
Current Year	35,205,981	0.82%
Previous Year	36,637,671	0.84%
Total Current Year	35,205,981	0.82%
Total Previous Year	36,637,671	0.84%
Indigenous		
Raw materials & Component		
Current Year	4,273,970,672	99.18%
Previous Year	4,316,387,199	99.16%
Total Current Year	4,273,970,672	99.18%
Total Previous Year	4,316,387,199	99.16%

7. Earnings in foreign exchange

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
i) Export of goods calculated on FOB basis	89,765,083	71,821,230
ii) Amounts received in foreign currency during the year	118,854,194	53,650,403

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR KVMDS & ASSOCIATES

FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO. 121347W

VIJAY B SHETH

PARTNER

M. NO. 037634

PRAKASH NIMBALKAR

Chairman

SHIVAJI AKHADE

Managing Director

M. RADHAKRISHNAN

Managing Director and CEO

PLACE : PUNE

DATE : 18th May, 2013

RAVIKETKAR

Chief Financial Officer

ASHUTOSH KULKARNI

Company Secretary

NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31ST MARCH 2013.
35 SIGNIFICANT ACCOUNTING POLICIES
35.1 Basis of accounting and preparation of financial statements :

The financial statements have been prepared on historical cost convention and as a going concern and in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the 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.

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

35.2 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, dies, spares and consumable are valued at cost on 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.

Tools and Dies under process has been valued on percentage completion based on estimated cost of production and development of respective tools and dies.

- c) Cost includes taxes and duties as applicable.

35.3 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

35.4 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

35.5 Events occurring after the date of Balance Sheet:

Material events occurring after the date of Balance Sheet are considered up to the date of approval of the accounts by the board of directors. There are no substantial events having an impact on the results of the current year Balance Sheet.

35.6 Prior Period Items and Changes in Accounting Policies :

There is no change in the Accounting Policies which are being consistently applied by the company. No Prior Period items have materially affected this year's financial statements. Figures of previous year have been regrouped, rearranged and stated in line with the current year's presentation.

35.7 Depreciation:

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. Intangible assets are written off over the period of 5 years & Research & development is written off over 10 years. 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.

35.8 Revenue recognition:

Sales are accounted on net of tax less sales Returns, Rejection, Penalty on sale & Warranty failed. 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.

Interest Income is recognized on accrual basis.

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

35.9 Fixed Asset:

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

35.10 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 not exceeding ten years.

35.11 Foreign currency transactions and translations:

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.

35.12 Government grants, subsidies and export incentives:

Government grants and subsidies are recognized when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. The same is treated as revenue/ capital as per the scheme framed by the Government and the same is routed through statement of Profit & Loss account.

35.13 Investments:

Investments are recorded at cost of purchase. Interest earned on Bank Fixed Deposit is accounted on receipt basis. Unquoted investments are accounted at cost & Provision for diminution in value of long term investment is made, to recognize a decline other than temporary.

35.14 Employee benefits Costs:

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

Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation Of India Ltd. The liability in respect of Bonus and for Leave Encashment is provided on actual basis..

35.15 Employee Stock Options:

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share -Based Payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any, of the stock option as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit & loss account on vesting basis over the vesting period of the option .The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option outstanding, which is shown under Reserves & Surplus.

35.16 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.

35.17 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

35.18 Taxes on income:

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

Current and deferred tax relating to items directly recognised in equity is recognised in equity and not in the Statement of Profit and Loss Account.

35.19 Deferred Tax- Asset/ Liability :

The Accounting Standard 22 "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.

35.20 Miscellaneous Expenditure :

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

35.21 Deferred Revenue Expenditure :

The deferred revenue expenditure is considered in respect of Bank Processing fees, professional fees paid for new term loans, the period of which is more than 5 years and foreclosure charges in respect of term loan foreclosed. The same is written off over the period of loan taken / original period of loan foreclosed.

35.22 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.

35.23 Provisions and contingencies:

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.

35.24 Capital work in Progress :

The Expenditure which are of Capital nature and the assets for which it is incurred which has not come into existence/put to use during the year is shown under this head.

35.25 Tools & Dies :

Tools & Dies designed/ manufactured in house have been capitalised considering direct cost of the material, wages paid to tool room employees, and other incidental expenses and proportionate overheads including borrowing cost related thereto.

35.26 Letters for confirmation of balances with respect to Sundry Debtors and 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.

**CONSOLIDATED
FINANCIAL STATEMENTS
2012 - 2013**

INDEPENDENT AUDITORS' REPORT **ON CONSOLIDATED FINANCIAL STATEMENTS**

To the Board of Directors of

AUTOLINE INDUSTRIES LIMITED

We have audited the accompanying consolidated financial statements of Autoline Industries Limited ("the Company") and its subsidiaries, which comprise the consolidated Balance Sheet as at 31st March, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which includes the unaudited financial statements of Autoline Industries USA INC, Koderat Investments Limited. (Cyprus) and Autoline Stampings Limited, South Koera (Subsidiary of Autoline Industries USA, INC). 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

We did not audit the financial statements of the following subsidiaries. These financial statements have been provided by management, and our opinion, insofar as it relates to the amount included in respect of these subsidiaries, is based solely on the provided financial statements and representation of management. The total assets as at 31st March, 2013 and total revenue for the year then ended, in respect of these subsidiaries are as under -

(` In Lacs)

Name of the company	Total Assets	Total Revenue
Autoline Industries USA, INC	6180.14	20305.54
Koderat Investments Limited	3384.10	Nil
Autoline Stampings Limited, South Korea	1139.83	3379.01

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

ANNUAL REPORT - 2013

- (i) in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;
- (ii) in the case of the consolidated Statement of Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Without qualifying our opinion, we draw attention to:-

- Sub-note to note no. 9 regarding non provision for diminishing in value of investment in subsidiary Koderat Investments Limited (Cyprus). The note is self-explanatory. In the given circumstances we are unable to give our opinion.

**FOR K V M D S & ASSOCIATES,
(FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES)
CHARTERED ACCOUNTANTS.
FIRM REG. NO.: 121347W**

**PLACE : PUNE.
DATE : 18TH MAY, 2013.**

**VIJAY B SHETH
PARTNER.
MEM. NO. 037634**

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No.	As at 31 March, 2013	As at 31 March, 2012
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	1	122,494,650	122,049,690
(b) Reserves and surplus	2	2,524,436,117	2,481,869,335
(c) Minority Interest		374,882,920	377,275,675
(d) Capital reserve On Consolidation		140,257,458	67,359,318
		<u>3,162,071,145</u>	<u>3,048,554,018</u>
2 Non-current liabilities			
(a) Long-term borrowings	3	889,859,404	1,004,841,833
(b) Deferred tax liabilities (net)	32	125,356,114	115,815,829
		<u>1,015,215,519</u>	<u>1,120,657,662</u>
3 Current liabilities			
(a) Short-term borrowings	4	1,571,118,189	1,449,694,441
(b) Trade payables	5	997,043,345	956,304,042
(c) Other current liabilities	6	155,475,772	146,709,849
(d) Short-term provisions	7	30,745,382	83,265,737
		<u>2,754,382,688</u>	<u>2,635,974,069</u>
TOTAL		<u>6,931,669,351</u>	<u>6,805,185,749</u>
B ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible assets	8A	2,773,717,591	2,718,503,478
(ii) Intangible assets	8A	131,424,769	148,215,469
(iii) Goodwill on Consolidation		-	-
(iv) Capital work-in-progress		193,689,607	147,985,198
		<u>3,098,831,966</u>	<u>3,014,704,145</u>
(b) Non-current investments	9	664,233,802	655,387,558
(c) Long-term loans and advances	10	149,243,307	89,191,540
(d) Other non-current assets	11	25,025,967	30,226,668
		<u>3,937,335,042</u>	<u>3,789,509,911</u>
2 Current assets			
(a) Inventories	12	1,821,706,741	1,728,254,993
(b) Trade receivables	13	482,759,898	606,816,320
(c) Cash and cash equivalents	14	146,528,679	112,133,533
(d) Short-term loans and advances	15	224,219,834	229,519,076
(e) Other current assets	16	319,119,157	338,951,916
		<u>2,994,334,309</u>	<u>3,015,675,838</u>
TOTAL		<u>6,931,669,351</u>	<u>6,805,185,749</u>

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR K V M D S & ASSOCIATES
(FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES)
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 18TH MAY, 2013

RAVIKETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

ANNUAL REPORT - 2013

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2013

Particulars	Note No.	For the year ended 31 March, 2013 (₹)	For the year ended 31 March, 2012 (₹)
A CONTINUING OPERATIONS			
1 Revenue from operations (gross)	17	8,438,851,271	7,918,626,826
Less: Excise duty		432,001,244	438,597,446
Revenue from operations (net)		8,006,850,026	7,480,029,381
2 Other income	18	44,960,549	26,712,273
3 Total revenue (1+2)		8,051,810,576	7,506,741,653
4 Expenses			
(a) Cost of materials consumed	19 a	5,776,941,407	5,314,590,222
(b) Changes in inventories of finished goods, work-in-progress and stock-in-trade	19 b	(184,529,017)	(236,448,183)
(c) Employee benefits expense	20	749,500,230	599,555,476
(d) Finance costs	21	374,841,271	311,614,734
(e) Depreciation and amortisation expense	8.B	230,750,087	210,517,888
(f) Other expenses	22	1,085,257,286	1,040,738,655
Total expenses		8,032,761,265	7,240,568,792
5 Profit / (Loss) before exceptional and extraordinary items and tax(3-4)		19,049,310	266,172,861
6 Exceptional items	23 a	68,509,848	203,864,014
7 Profit / (Loss) before extraordinary items and tax (5 + 6)		87,559,158	470,036,875
8 Extraordinary items	23 b	-	-
9 Profit / (Loss) before tax (7 + 8)		87,559,158	470,036,875
10 Tax expense:			
(a) Current tax expense for current year		44,653,561	104,736,254
(b) (Less): MAT credit		(75,074,358)	(61,887,525)
(c) Current tax expense relating to prior years		1,725,746	2,048,692
(d) Net current tax expense		(28,695,051)	44,897,421
(e) Deferred tax	32	9,540,285	30,250,000
		(19,154,766)	75,147,421
11 Profit / (Loss) from continuing operations (9 + 10)		106,713,924	394,889,454
B DISCONTINUING OPERATIONS			
12-i Profit / (Loss) from discontinuing operations (before tax)		-	-
12-ii Gain / (Loss) on disposal of assets / settlement of liabilities - attributable to the discontinuing operations		-	-
12-iii Add / (Less): Tax expense of discontinuing operations		-	-
13 Profit / (Loss) from discontinuing operations (12.i + 12.ii + 12.iii)		-	-
C TOTAL OPERATIONS (A+B)		106,713,924	394,889,454
14 Profit / (Loss) for the year		106,713,924	394,889,454
Minority interest		(2,392,756)	(1,860,693)
15 Profit After Minority Interest		109,106,680	396,750,147
16 Earnings per share (of ₹ 10/- each):			
(a) Basic for Continuing Operation	30	9.81	33.41
(b) Diluted for Continuing Operation	30	8.87	32.25

See accompanying notes forming part of the financial statements

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR K V M D S & ASSOCIATES
(FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES)
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

For and on behalf of the Board of Directors

VIJAY B SHETH
PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
Chairman

SHIVAJI AKHADE
Managing Director

M. RADHAKRISHNAN
Managing Director and CEO

PLACE : PUNE
DATE : 18TH MAY, 2013

RAVIKETKAR
Chief Financial Officer

ASHUTOSH KULKARNI
Company Secretary

Consolidated Cash Flow Statement for the period ended 31st March 2013

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
A. Cash Flow from Operating Activities		
Net Profit after Tax	109,106,680	396,750,147
Adjustment for :		
Depreciation	230,750,087	210,517,888
Employee Stock Option	10,778,844	11,049,425
Amortisation of Miscellaneous Expenditure	5,226,141	5,247,887
Deferred Tax Liability (Net)	9,540,285	27,376,189
Operating Profit before Working Capital Changes	365,402,037	650,941,536
Adjustment for :		
Trade Receivable and Other Current Asset	143,962,306	(302,101,247)
Inventories	(93,451,748)	(512,822,057)
Trade Payables and Other Current Liabilities	(17,346,391)	270,699,733
Minority Interest	(2,392,755)	(54,132,125)
Exchange Difference on Consolidation	(63,210,927)	(67,571,095)
Capital Reserve on consolidation	72,898,140	491,347,818
Cash Generated from Operations	405,860,663	476,362,564
Net Cash from Operating Activities	405,860,663	476,362,564
B. Cash Flow from Investing Activities		
Acquisition of Fixed Assets (Net)	(315,262,611)	(58,824,095)
Investments	(8,846,244)	(408,058,256)
Extra-ordinary Item*	-	(139,312,799)
Net Cash from Investing Activities	(324,108,854)	(606,195,150)
C. Cash Flow from Financing Activities		
Proceeds from Borrowings (Net)	6,441,319	178,641,131
Dividend	(59,315)	-
Equity Capital &	444,960	-
Share Premium	667,440	-
Long-term loans and advances	(60,051,767)	(87,613,663)
Other non-current assets	5,200,701	4,916,340
Net Cash from Financing Activities	(47,356,663)	95,943,808
Net Increase / Decrease in Cash & Cash Equivalent	34,395,146	(33,888,778)
Cash & Cash equivalent as at 01.04.2012	112,133,533	146,022,312
Cash & Cash equivalent as at 31.03.2013	146,528,679	112,133,533
Net Increase / Decrease in Cash & Cash Equivalent	34,395,146	(33,888,778)

*Note:- Exclude Opening Profit and Loss accounts balances of erstwhile subsidiary.

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR K V M D S & ASSOCIATES

(FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES)

CHARTERED ACCOUNTANTS

FIRM REGISTRATION NO. 121347W

VIJAY B SHETH

PARTNER

M. NO. 037634

PRAKASH NIMBALKAR

Chairman

SHIVAJI AKHADE

Managing Director

M. RADHAKRISHNAN

Managing Director and CEO

PLACE : PUNE

DATE : 18TH MAY, 2013

RAVIKETKAR

Chief Financial Officer

ASHUTOSH KULKARNI

Company Secretary

ANNUAL REPORT - 2013

Notes forming part of the Consolidated Financial Statements

Note 1 Share Capital

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares		Number of shares	
(a) Authorised Equity shares of ₹10 each with voting rights	29,500,000	295,000,000	29,500,000	295,000,000
(b) Issued, Subscribed and fully paid up Equity shares of ₹10 each with voting rights	12,204,969	122,049,690	12,204,969	122,049,690
ESOP Allotment during the period	44,496	444,960	-	-
Total	12,249,465	122,494,650	12,204,969	122,049,690

Sub-Note to Note 1 :-

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:

Particulars	Opening Balance	Fresh issue	Bonus	ESOP	Conversion	Buy back	Closing Balance
Equity shares with voting rights							
Year ended 31 March, 2013							
- Number of shares	12,204,969	-	-	44,496	-	-	12,249,465
- Amount	122,049,690	-	-	444,960	-	-	122,494,650
Year ended 31 March, 2012							
- Number of shares	12,204,969	-	-	-	-	-	12,204,969
- Amount	122,049,690	-	-	-	-	-	122,049,690

(ii) Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at 31st March, 2013		As at 31st March, 2012	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity shares with voting rights				
Lincwise Software Private Limited	1,000,000	8.16%	1,000,000	8.19%
Mrs. Rekha Rakesh Jhunjhunwala	731,233	5.97%	731,233	5.99%
Mrs. Rema Radhakrishnan	664,717	5.43%	664,717	5.45%
Mr. Shivaji Tukaram Akhade	633,681	5.17%	633,681	5.18%
Religare Finvest Limited	-	-	610,550	5.00%
Total	3,029,631	24.73%	3,640,181	29.81%

(iii) Aggregate number and class of shares allotted as fully paid up pursuant to contract(s) without payment being received in cash, bonus shares and shares bought back for the period of 5 years immediately preceding the Balance Sheet date:

Particulars	Aggregate number of shares	
	As at 31st March, 2013	As at 31st March, 2012
Equity shares with voting rights		
Fully paid up pursuant to contract(s) without payment being received in cash 2007-08	588,125	588,125
Fully paid up by way of bonus shares in 2006-07	-	2,004,728
Total	588,125	2,592,853

Note 2 Reserves and surplus

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Capital reserve		
Opening balance	-	-
Less: Utilised for Merger	-	-
Closing balance	-	-
(b) Securities premium account		
Opening balance	1,368,224,566	1,368,224,566
Add : Premium received on allotment of 44496 equity Shares pursuant to ESOP- face value of ` 10/- at premium of ` 15/- Per Share.	667,440	-
Add : Premium transferred from Employee Stock outstanding account on allotment of 44496 equity shares at fair value of ` 234.45 Per Share.	10,432,087	-
Closing balance	1,379,324,093	1,368,224,566
(c) Revaluation reserve		
Opening balance	10,213,550	10,598,254
Less: Utilised for set off against depreciation of Revalued Asset	384,704	384,704
Closing balance	9,828,846	10,213,550
(d) Share options outstanding account		
Employee Stock Options Outstanding Account	27,138,291	39,441,888
Less : Deferred Employee Compensation Account	11,094,814	23,745,194
Net Balance	16,043,477	15,696,694
(e) General reserve		
Opening balance	120,227,655	86,727,655
Add: Transferred from surplus in Statement of Profit and Loss	-	33,500,000
Closing balance	120,227,655	120,227,655
(f) Exchange Difference on Consolidation	(42,966,824)	20,244,103
(g) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance*	947,262,767	640,752,300
Add: Profit / (Loss) for the year	109,106,680	396,750,147
Dividend paid for FY 2011-2012	51,037	-
Dividend proposed to be distributed to equity shareholders (` 1 per share)	12,249,465	48,819,876
Tax on dividend	2,090,076	7,919,804
Transferred to:	-	-
- General reserve	-	33,500,000
Closing balance	1,041,978,870	947,262,767
Total	2,524,436,117	2,481,869,335

* Note:- Exclude Opening Profit and Loss accounts balances of erstwhile subsidiary

Note 3 Long-term borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Term loans		
From banks		
Secured	841,225,727	974,461,026
Unsecured	22,613,280	-
	863,839,007	974,461,026
From other parties	-	-
(b) Deferred payment liabilities		
Secured	-	-
Unsecured	16,000,000	15,204,028
	16,000,000	15,204,028
(c) Trade Deposits		
Secured	-	-
Unsecured	10,020,397	15,176,779
	10,020,397	15,176,779
Total	889,859,404	1,004,841,833

ANNUAL REPORT - 2013

Sub-note to Note 3

- (i) Details of terms of repayment for the other long-term borrowings and security provided in respect of the secured other long-term borrowings:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Secured	Unsecured	Secured	Unsecured
<u>Term loans from banks:</u>				
Bank of Baroda Term Loan	95,865,565	-	130,446,214	-
Axis Bank Ltd Term Loan-1	253,890,821	-	300,542,349	-
Axis Bank Ltd Term Loan-2	37,555,518	-	109,954,442	-
NKGSB Co-op. Bank Ltd. Term Loans	60,189,486	-	37,124,097	-
Vidya Sahakari Bank Ltd Term Loan	14,848,945	-	8,742,389	-
The Catholic Syrian Bank Ltd Term Loan-1	133,305,692	-	202,538,068	-
The Catholic Syrian Bank Ltd Term Loan-2	53,227,083	-	65,751,532	-
HDFC Auto Loan Bharat Loan (Vehicle Loan)	-	-	343,734	-
HDFC Auto Premium Loan (Vehicle Loan)	-	-	642,761	-
Bank of Baroda (Vehicle Loan)	1,541,723	-	1,159,761	-
Tata Capital Finance Services Ltd.				
- Hire Purchase Loan	50,000,000	-	-	-
Cosmos Bank (Vehicle Loan)	-	-	54,743	-
Tower Bank & Trust Co. - Loan	72,149,357	-	65,702,486	-
Tower Bank & Trust Co. - Tooling loan (Butler)	68,651,537	-	50,904,151	-
Tower Bank & Trust Co. Loan	-	-	554,299	-
Total	841,225,727	-	974,461,026	-
<u>Deferred payment liabilities:</u>				
<u>Deferred sales tax liability</u>	-	10,020,397	-	15,204,028
Total	-	10,020,397	-	15,204,028

Term of Repayment & Security for Secured Loan.

- Bank of Baroda's Term loan are secured by First Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at S. No. 313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ` 28.60 Lacs and 1 monthly installment of ` 26.60 Lacs.
- Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot no. 5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and Sr. No. 313/314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ` 2 Crores, next 3 quarterly installment of ` 5 Crores and 1 installment of ` 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ` 1.875 Crores each.
- Vehicle Loans have been secured by hypothecation of Vehicles.
- The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd. has been secured by charge on Fixed assets of the Company at Plot No. E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No. 5 at Uttarakhand.

NKGSB term loan LNM/2 is repayable (including Interest) in 48 monthly installment of ` 9.08 Lacs.

NKGSB term loan LNM/3 is repayable (including Interest) in 60 monthly installment of ` 4.81 Lacs.

NKGSB term loan LNM/5 is repayable (including Interest) in 60 monthly installment of ` 3.61 Lacs

NKGSB term loan LNM/19 is repayable (including Interest) in 60 monthly installment of ` 7.78 Lacs

NKGSB term loan LNM/46 is repayable (including Interest) in 60 monthly installment of ` 6.03 Lacs.

NKGSB term loan LNM/70 is repayable (including Interest) in 60 monthly installment of ` 2.44 Lacs

NKGSB term loan LNM/69 is repayable (including Interest) in 36 monthly installment of ` 14.07 Lacs.

Vidya Saha.Bank term loan TL/HPL/426 is repayable (including Interest) in 48 monthly installment of ` 2.04 Lacs

Vidya Saha.Bank term loan TL/HPL/432 is repayable (including Interest) in 60 monthly installment of ` 2.33 Lacs.

Vidya Saha.Bank term loan TL/HPL/483 is repayable (including Interest) in 60 monthly installment of ` 2.40 Lacs.

Vidya Saha.Bank term loan TL/HPL/486 is repayable (including Interest) in 60 monthly installment of ` 0.60 Lacs.

Vidya Saha.Bank term loan TL/HPL/515 is repayable (including Interest) in 60 monthly installment of ` 4.76 Lacs.
- Hire Purchase Loan taken from Tata Capital Finance Services Limited of ` 5 Cr. for fully automatic machinery installed at Plot No. 6 at Uttarakhand. As per Hire Purchase Agreement, loan is secured by same fully automatic machine.
- The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at S. No. 313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ` 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ` 16.67 Lacs each
- Tower Bank & Trust Company loans are secured by mortgage on the real estate known as 100 Commerce Street, Butler, Indiana USA. Loan is repayable in 60 monthly installment of \$33,037.46 each.

Note 4 Short-term borrowings

Particulars	As at 31st March, 2013	As at 31st March, 2012
(a) Loans repayable on demand		
From banks		
Secured	1,247,981,221	1,224,374,578
Unsecured	317,885,221	220,000,000
	1,565,866,442	1,444,374,578
(b) Loans and advances from related parties	-	-
Unsecured - Autoline Industries Ltd. (Holding Company)	-	-
(c) Deposits		
Secured	-	-
Unsecured	-	-
(d) Deferred Payment Liability		
Secured	-	-
Unsecured	5,251,747	5,319,863
	5,251,747	5,319,863
Total	1,571,118,189	1,449,694,441

Sub-notes to Note 4:

(i) Details of security for the secured short-term borrowings:

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	Secured	Unsecured	Secured	Unsecured
Loans repayable on demand from banks				
Bank of Baroda Term Loan	34,300,000		34,327,951	
Axis Bank Ltd Term Loan-1	80,000,000		114,274,657	
Axis Bank Ltd Term Loan-2	57,300,000		41,807,773	
The Catholic Syrian Bank Ltd Term Loan - 1	73,692,000		70,570,755	
The Catholic Syrian Bank Ltd Term Loan - 2	20,004,000		22,909,941	
HDFC Auto Loan Bharat Loan (Vehicle Loan)	110,218		182,837	
HDFC Auto Premium Loan (Vehicle Loan)	410,630		341,894	
Bank of Baroda (Vehicle Loan)	1,064,688		799,836	
NKGSB Co-Op Bank Ltd. Term Loans	48,522,277		36,530,192	
Vidya Sahakari Bank Ltd Term Loan	11,836,319		8,330,983	
Cosmos Bank (Vehicle Loan)	-		52,166	
Bank of Baroda CC A/c	609,028,613		575,874,296	
The Catholic Syrian Bank Ltd. CC A/c	251,326,016		252,691,726	
NKGSB Co-Op Bank Ltd. CC A/C	34,513,479		36,527,911	
Tower Bank & Trust Co. - Loan	-		16,425,621	
Tower Bank & Trust Co. - Tooling loan (Butler)	15,001,980		12,726,038	
Tower Bank & Trust Co.- Term Loan	10,871,000		-	
Total	1,247,981,221	-	1,224,374,576	
Deferred payment liabilities:				
Deferred sales tax liability		5,251,747		5,319,863
Total	-	5,251,747		5,319,863

Term of Repayment & Security for Secured Loan.

- Bank of Baroda's loans are secured by First Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand and Second Charge on Fixed assets of the Company situated at S. No. 313/314, Nanekarwadi, Chakan. Loan is repayable in 69 monthly installment of ` 28.60 Lacs and 1 monthly installment of ` 26.60 Lacs.
- Axis Bank Ltd.'s loans are secured by charge on all Fixed assets of the Company except situated at Plot No. 5, 6 & 8, Uttarakhand and Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 and S. No. 313/314, Nanekarwadi, Chakan. Term Loan - I is repayable in 13 quarterly installment of ` 2 Crores, next 3 quarterly installment of ` 5 Crores and 1 installment of ` 4 Crores. Term Loan - II is repayable in 8 quarterly installment of ` 1.875 Crores each.
- Vehicle Loans have been secured by hypothecation of Vehicles.
- The term loan from NKGSB Co-op. Bank Ltd. & Vidya Sahakari Bank Ltd. has been secured by charge on Fixed assets of the Company at Plot No. E-12 (17) (8), M.I.D.C. Bhosari, Pune-411026 & Plot No. 5 at Uttarakhand.
NKGSB term loan LNM/2 is repayable (including Interest) in 48 monthly installment of ` 9.08 Lacs.
NKGSB term loan LNM/3 is repayable (including Interest) in 60 monthly installment of ` 4.81 Lacs.
NKGSB term loan LNM/5 is repayable (including Interest) in 60 monthly installment of ` 3.61 Lacs
NKGSB term loan LNM/19 is repayable (including Interest) in 60 monthly installment of ` 7.78 Lacs
NKGSB term loan LNM/46 is repayable (including Interest) in 60 monthly installment of ` 6.03 Lacs.
NKGSB term loan LNM/70 is repayable (including Interest) in 60 monthly installment of ` 2.44 Lacs
NKGSB term loan LNM/69 is repayable (including Interest) in 36 monthly installment of ` 14.07 Lacs.
Vidya Saha. Bank term loan TL/HPL/426 is repayable (including Interest) in 48 monthly installment of ` 2.04 Lac

ANNUAL REPORT - 2013

Vidya Saha.Bank term loan TL/HPL/432 is repayable (including Interest) in 60 monthly installment of ₹ 2.33 Lacs.
Vidya Saha.Bank term loan TL/HPL/483 is repayable (including Interest) in 60 monthly installment of ₹ 2.40 Lacs.
Vidya Saha.Bank term loan TL/HPL/486 is repayable (including Interest) in 60 monthly installment of ₹ 0.60 Lacs.
Vidya Saha.Bank term loan TL/HPL/515 is repayable (including Interest) in 60 monthly installment of ₹ 4.76 Lacs.

5. The Catholic Syrian Bank Ltd.'s loans are secured by First Charge on Fixed assets of the Company situated at S. No. 313/314, Nanekarwadi, Chakan and Second Charge on Fixed assets of the Company situated at Plot No. 6 & 8, Uttarakhand. Term Loan - I is repayable in 57 monthly installment of ₹ 61.41 Lacs each and Term Loan - II is repayable in 60 monthly installment of ₹ 16.67 Lacs each.
6. The working capital loan from the above banks have been secured by hypothecation of current assets of the company.
7. Tower Bank & Trust Company loans are secured by mortgage on the real estate known as 100 Commerce Street, Butler, Indiana USA. Loan is repayable in 60 monthly installment of \$33,037.46 each.

Note 5 Trade payables

Particulars	As at 31 March, 2013	As at 31 March, 2012
Trade payables (Including Accpetances)	991,013,669	949,899,828
MSM Enterprises	6,029,676	6,404,214
Total	997,043,345	956,304,042

Note 6 Other current liabilities

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Unpaid dividends	790,716	677,083
(b) Interest accrued & due on borrowings	2,953,312	-
(c) Other payables		
(i) Statutory remittances:-		
VAT/CST Payable	55,456,888	56,225,536
Excise Duty Payable	4,732,757	-
Service Tax Payable	3,301,234	634,592
TDS Payable	4,659,358	3,975,303
PF & ESIC Payable	3,784,324	3,563,528
Professional Tax Payable	756,496	560,100
Property Tax Payable	-	193,831
(ii) Payables on purchase of fixed assets	12,634,844	22,552,424
(iii) Interest on MSM Enterprises	1,565,697	867,206
(iv) Employee's Loan Repayment	547,535	92,473
(v) Payable for employee benefits		
(i) Payable for bonus	10,525,901	7,853,505
(ii) Payable for Salary	21,729,544	23,767,989
(iii) Payable for Leave Encashment	5,345,803	5,942,135
(iv) Payable for Staff Welfare Expenses	840,248	460,914
(v) Payable for Gratuity	1,405,773	-
(vi) Payable for Electricity Expenses	636,973	2,465,393
(vii) Payable for Open GRN	233,373	1,084,762
(viii) Payable for Expenses	4,481,629	14,445,804
(ix) Payable for Professional Fees	2,720,715	1,084,788
(x) Payable for Telephone, Internet & Postage	152,173	212,484
(xi) Payable for Rent	-	30,000
(xii) Accured Expenses	16,220,479	-
(xiii) Payable for Director Sitting Fees	-	20,000
Total	155,475,772	146,709,849

Note 7 Short-term provisions

Particulars	As at 31 March, 2013	As at 31 March, 2012
(b) Provision - Others:		
(i) Provision for tax (net of advance tax)	16,414,120	26,526,056
(ii) Provision for Proposed Dividend	12,249,465	48,819,876
(iii) Provision for Tax on Proposed Dividend	2,081,797	7,919,804
Total	30,745,382	83,265,736

Notes Forming Part of Consolidated Balance Sheet as at 31st March 2013

NOTE NO. 8.A : CONSOLIDATED FIXED ASSETS :

Sr No	TANGIBLE ASSET	GROSS BLOCK					DEPRECIATION				NET BLOCK			
		AS ON 01.04.2012	ADDITIONS	TRANSFERS	DEDUCTIONS	ADJUSTMENT / EXCHANGE RATE FLUCTUATION	AS ON 31.03.2013	AS ON 01.04.2012	FOR THE YEAR	TRANSFERS	DEDUCTIONS	ADJUSTMENT EXCHANGE RATE FLUCTUATION	AS ON 31.03.2013	AS ON 31.03.2012
1	LAND AND DEVELOPMENT	54,629,347	-	-	-	-	54,629,347	-	-	-	-	-	54,629,347	54,629,347
2	LAND - LEASE HOLD	69,310,633	6,117,860	-	-	-	75,428,493	1,530,512	-	-	-	-	73,897,981	67,780,121
3	BUILDING	910,933,620	23,874,424	-	-	-	934,808,044	113,059,579	30,501,780	-	-	-	143,561,359	797,874,041
4	BUILDING - OFFICE	-	1,549,000	-	-	-	1,549,000	-	-	-	-	-	18,954	-
5	PLANT AND MACHINERY	1,379,946,961	161,566,901	-	-	-	1,541,513,862	254,836,106	67,347,438	-	-	-	322,183,544	1,219,330,318
6	TOOLS AND DIES	545,130,102	-	-	-	-	545,130,102	161,114,638	61,654,234	-	-	-	222,768,872	384,015,464
7	COMPUTERS AND SOFTWARES	106,496,768	4,079,945	-	-	-	110,576,713	69,202,597	15,069,893	-	-	-	84,272,490	37,294,171
8	ELECTRICAL FITTINGS	108,383,470	5,360,899	-	-	-	113,744,369	28,694,376	6,936,714	-	-	-	35,631,090	79,689,094
9	FURNITURE	24,049,464	961,128	-	-	-	25,010,592	7,888,087	1,551,803	-	-	-	9,439,890	16,161,377
10	VEHICLES	27,164,149	1,346,334	-	2,029,731	-	26,480,752	12,115,879	2,573,031	-	1,043,193	-	13,645,717	15,048,270
11	OFFICE EQUIPMENTS	12,098,262	982,519	-	-	-	13,080,781	3,725,140	599,458	-	-	-	4,324,598	8,373,122
12	Autoline IND. USA	171,711,232	51,127,969	-	-	-	231,127,699	39,183,619	26,603,124	-	-	(3,801,605)	61,985,137	132,527,613
	TOTAL	3,409,854,008	256,966,978	-	2,029,731	-	3,673,079,753	691,350,533	212,856,429	-	1,043,193	(3,801,605)	899,362,164	2,773,717,589
													2,718,503,475	

Note : - Plant & Machinery Includes Hire Purchase Asset, which is capitalised during the year. For the same Hire Purchase Agreement is executed with Tata Capital Financial Services Limited.

Sr No	INTANGIBLE ASSET	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS ON 01.04.2012	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	AS ON 01.04.2012	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	AS ON 31.03.2012
1	R & D PROCESS DEVELOPMENT	195,614,394	-	-	-	195,614,394	71,103,659	10,200,054	-	-	81,303,713	114,310,682
2	INTANGIBLE ASSETS	39,900,000	-	-	-	39,900,000	21,396,563	3,990,000	-	-	25,386,563	14,513,437
3	Computer Aided Engineering (CAE)	13,003,244	-	-	-	13,003,244	7,801,947	2,600,649	-	-	10,402,596	5,201,297
4	TRADE MARK	20,500	-	-	-	20,500	20,500	-	-	-	20,500	-
	TOTAL	248,538,138	-	-	-	248,538,138	100,322,669	16,790,703	-	-	117,113,372	148,215,469

Sr No	WORK IN PROGRESS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
		AS ON 01.04.2012	ADDITIONS	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	AS ON 01.04.2012	FOR THE YEAR	TRANSFERS	DEDUCTIONS	AS ON 31.03.2013	AS ON 31.03.2012
1	CAPITAL WIP	147,985,198	200,955,107	155,250,698	-	193,689,607	-	-	-	-	193,689,607	147,985,198
	TOTAL	147,985,198	200,955,107	155,250,698	-	193,689,607	-	-	-	-	193,689,607	147,985,198
	Grand Total	3,806,377,344	457,922,085	155,250,698	2,029,731	8,288,498	4,115,307,498	791,673,202	229,647,131	1,043,193	1,016,475,535	3,098,831,963

NOTE 8 B - DEPRECIATION AND AMORTISATION RELATING TO CONTINUING OPERATIONS:

Particulars	For the year ended 31 March, 2013		For the year ended 31 March, 2012	
Depreciation and amortisation for the year on tangible assets as per Note 8 A		212,856,429		1,78,733,845
Depreciation and amortisation for the year on intangible assets as per Note 8 A		16,790,703		30,487,340
Less: Utilised from revaluation reserve		384,704		384,704
Less: Amortisation Expenses		1,487,660		1,681,407
Depreciation and amortisation relating to continuing operations		230,750,867		210,517,888

ANNUAL REPORT - 2013

Note 9 Non-current investments

Particulars	As at 31 March, 2013	As at 31 March, 2012
	Unquoted	Unquoted
Investments (At cost):		
A. Trade		
(a) Investment in equity instruments		
(i) Investment in SZ Design SRL & Zagato SRL, Italy*	337,981,960	328,622,923
(ii) Associates		
- DEP Autoline Inc., USA	324,362,719	324,362,719
30,600 (As at 31 March, 2012: 30,600) shares of \$ 1 each fully paid		
- Nuvent Technologies Pvt. Ltd	255,000	255,000
25,500 (As at 31 March, 2012: 25,500) shares of ` 10 each fully paid		
Total	324,617,719	324,617,719
Total - Trade (i + ii)	662,599,680	653,240,642
B. Other investments		
(a) Investment in equity instruments		
(i) Other Entities		
- Rupee Co-op Bank Ltd.	500,000	878,550
20,000 (As at 31 March, 2012: 20,000) shares of ` 25 each fully paid		
- Cosmos Co-op. Bank Ltd. Equity Shares	-	132,800
Nil (As at 31 March, 2012: 13,280) shares of ` 10 each fully paid		
- NKGSB Co-op. Bank Ltd. Equity Shares	500,000	500,000
50,000 (As at 31 March, 2012: 50,000) shares of ` 10 each fully paid		
- Vidya Sahakari Bank Ltd. Equity Shares	500,000	500,000
5,000 (As at 31 March, 2012: 5,000) shares of ` 100 each fully paid		
- Saraswat Co-op. Bank Ltd. Equity Shares	-	10,000
Nil (As at 31 March, 2012: 1,000) shares of ` 10 each fully paid		
- Investment in Mutual Fund		
SBI mutual Fund	116,485	109,103
TATA Mutual Fund	17,637	16,463
Total	1,634,122	2,146,916
Total (A + B)	664,233,802	655,387,558

*Note:- The Company has invested Euro 3.84 Million plus incidental expenses (Bal on 31.03.2013 in INR ` 33,83,50,511) in wholly owned subsidiary, Koderat Investment Ltd. (Cyprus). In turn the subsidiary utilized the same for investments in S.Z. Design SRL and Zagato SRL Milan Italy. S.Z. Design SRL and Zagato SRL Milan Italy have issued 49% of equity Shares to Koderat Investment Ltd (Cyprus).

Note 10 Long-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Advance income tax (net of provisions) Unsecured, considered good	12,281,424	12,304,015
(b) MAT credit entitlement - Unsecured, considered good	136,961,883	61,887,525
(c) Balances with government authorities		
Unsecured, considered good		
(i) Service Tax credit receivable	-	-
(ii) Advance for Appeal 07-08	-	15,000,000
Total	149,243,307	89,191,540

Note 11 Other non-current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Unamortised expenses		
(i) Deferred Revenue Expenditure	10,485,068	15,711,210
(ii) Expenses for increase in Authorised Capital	686,000	1,411,600
(iii) Acquisition Cost	20,465,892	18,227,191
(iv) Accumulated Amortization	(6,610,993)	(5,123,333)
Total	25,025,967	30,226,668

Note 12 Inventories

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Raw materials (including spare, tools, consumables & Boughtout)	398,878,707	502,468,915
(b) Work-in-progress	489,040,769	319,519,457
Land and Development Cost(WIP)	836,326,626	823,813,687
Engineering Design Services	19,309,400	
(c) Finished goods (other than for trading)	78,151,239	82,452,934
Total	1,821,706,741	1,728,254,993

(Inventories value at lower of cost and net realisable value)

Note 13 Trade receivables

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
Trade receivables outstanding - (exceeding six months from the date they were due for payment)		
Secured, considered good	-	-
Unsecured, considered good	9,849,900	5,666,813
Doubtful	-	-
	9,849,900	5,666,813
Trade receivables outstanding - (Less than six months from the date they were due for payment)		
Secured, considered good	-	-
Unsecured, considered good	472,909,998	601,149,507
Doubtful	-	-
	472,909,998	601,149,507
Total	482,759,898	606,816,320

Note 14 Cash and cash equivalents

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Cash on hand	182,782	372,056
(b) Balances with banks		
(i) In current accounts	106,503,802	62,090,734
(ii) In deposit accounts (Maturing with in 12 months)	37,969,535	48,993,660
(iii) In deposit accounts (Maturing after 12 months)	1,081,843	-
(iv) In earmarked accounts		
- Unpaid dividend accounts	790,716	677,083
Total	146,528,679	112,133,533
Of the above, the balances that meet the definition of Cash and cash equivalents as per AS 3 Cash Flow Statements is	146,528,679	112,133,533

Note 15 Short-term loans and advances

Particulars	As at 31 March, 2013	As at 31 March, 2012
	-	-
(a) Security deposits		
Secured, considered good	-	-
Unsecured, considered good	14,700,141	12,880,683
Doubtful	-	-
	14,700,141	12,880,683

ANNUAL REPORT - 2013

(b) Loans and advances to employees		
Secured, considered good	-	-
Unsecured, considered good	310,364	509,093
Doubtful	-	-
	310,364	509,093
(c) Prepaid expenses	5,448,258	12,471,021
	5,448,258	12,471,021
(d) Balances with government authorities		
Unsecured, considered good		
(i) CENVAT credit receivable	134,921,175	159,525,073
(ii) Deposit for Sales Tax Appeal	5,000,000	5,000,000
(iii) Excise Rebate Claim	4,708,561	172,770
	144,629,736	164,697,842
(e) Advance for Land Purchase	40,960,437	38,960,437
(f) Inter-Corporate Loan & Advances	-	-
(g) Advance income tax (net of provisions) - Unsecured, considered good	18,170,898	-
Total	224,219,834	229,519,076

Note 16 Other current assets

Particulars	As at 31 March, 2013	As at 31 March, 2012
(a) Others		
(i) Industrial Subsidy A/c Receivable	99,103,862	203,864,014
(ii) Others Current Asset	209,892,695	135,087,902
(iii) Receivable from Directors for remuneration u/s 349	3,600,000	-
(iii) Dividend Receivable	6,522,600	-
Total	319,119,157	338,951,916

Note 17 Revenue from operations

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Sale of products		
(i) Sales Manufacturing	7,886,019,740	7,361,427,796
(ii) Sales PTC Licenses	-	
(b) Sale of services	5,698,775	3,355,994
(c) Other operating revenues	547,132,756	553,843,036
	8,438,851,271	7,918,626,826
Less:		
(d) Excise duty	432,001,244	438,597,446
Total	8,006,850,026	7,480,029,381

Sub-Note to Note 17:- Above mentioned sale of products by AIL is after penalty of ₹ 1.05 Cr. and Warranty failure charges ₹ 0.07 Cr. As per management it is related to sales & hence deducted.

Note 18 Other income

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
(a) Interest income	30,018,777	20,630,050
(b) Dividend income: from current investments	10,993,950	-
others	-	62,426
(c) Net gain/loss on sale of Asset	(630,982)	(311,307)
(d) Net gain on foreign currency transactions and translation	1,909,923	5,791,152
(e) Other non-operating income	2,668,881	539,952
Total	44,960,549	26,712,273

Note 19.a Cost of materials consumed

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Opening stock	502,468,915	251,075,037
Add: Purchases	5,673,351,199	5,570,933,591
	6,175,820,114	5,822,008,628
Less: Closing stock	398,878,707	507,418,406
Cost of material consumed	5,776,941,407	5,314,590,222
Material consumed comprises:		
Steel		
Total	5,776,941,407	5,314,590,222

Note 19.b Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Inventories at the end of the year:		
Finished goods	78,151,239	77,503,443
Work-in-progress	508,350,169	319,519,457
	586,501,408	397,022,900
Inventories at the beginning of the year:		
Finished goods	82,452,934	53,635,157
Work-in-progress	319,519,457	106,939,560
	401,972,391	160,574,717
Net (increase) / decrease	(184,529,017)	(236,448,183)

Note 20 Employee benefits expense

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Salaries, Wages and Bonus	618,764,449	479,005,706
Contributions to provident and other funds	12,790,983	10,917,892
Contributions to Gratuity	5,200,563	5,603,562
Expense on employee stock option (ESOP) scheme	10,778,844	11,049,425
Employee Insurance	10,997,038	8,778,721
Staff welfare expenses	88,655,371	80,759,462
Leave Encashment	2,312,982	3,440,707
Total	749,500,230	599,555,476

ANNUAL REPORT - 2013

Note 21 Finance costs

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
(a) Interest expense on:		
(i) Borrowings	302,648,625	222,888,495
(ii) LC Including Charges	20,890,680	26,910,870
(iii) Others		
- Interest on delayed / deferred payment of taxes	7,602,874	11,989,358
- Others	2,244,056	15,106,289
(b) Other borrowing costs	7,632,080	3,315,510
(c) Net loss on foreign currency transactions and translation	323,558	-
(d) Bank Charges & Commission	33,499,399	31,404,212
Total	374,841,271	311,614,734

Note 22 Other expenses

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Manufacturing Expenses		
Labour Charges	414,485,186	382,277,648
Power and fuel	128,745,586	111,071,698
Transport & Octroi	140,768,362	159,710,342
Transport Outward	73,054,894	45,025,982
Testing & Inspection Charges	2,805,583	2,105,686
Weighing Charges	445,152	569,810
Water Charges	4,732,341	5,006,221
Repairs and Maintenance - Machinery	22,741,085	15,220,972
Administrative and Other Expenses		
Repairs and Maintenance - Buildings	2,716,797	2,547,684
Repairs and Maintenance - Vehicle	2,804,872	2,477,307
Repairs and Maintenance - Computer	4,720,894	6,965,101
Repairs and Maintenance - Others	22,095,207	27,188,640
ERP & Software License Charges	7,541,083	2,545,568
Rent including lease rentals	10,777,596	10,590,049
Software AMC	1,336,302	-
Insurance Others	23,249,262	15,862,390
Insurance - Vehicle	501,358	301,163
Rates and taxes	7,281,208	3,788,914
Communication & Internet Charges	9,695,551	8,965,660
Travelling and conveyance	26,580,144	23,645,812
Foreign Travel Expenses	966,197	2,647,136
Printing and stationery	5,245,015	5,140,385
Member & Subscription	598,891	188,136
Business promotion	29,908,271	24,076,097
Donations and contributions	596,879	279,694
Legal and professional	44,382,503	56,576,870
Director Sitting Fees	945,000	1,315,000
Security Charges	12,860,683	10,039,627
Houskeeping Charges	6,296,525	5,862,316
Audit Expenses	760,683	-
Payments to auditors (See Sub-Note)	5,010,761	4,481,012
Preliminary & Miscellaneous Expenses written off	5,226,141	5,247,887
Sundry Balance Write off (Net)	2,877,165	1,686,967
Prior period items (See Sub-Note)	54,734,584	82,421,133
Research and Development	-	3,339,745
Miscellaneous expenses	7,769,525	11,570,003
Total	1,085,257,286	1,040,738,655

Note 22 Other expenses (Sub Note)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
(i) Payments to the auditors comprises (net of service tax input credit, where applicable):		
As auditors - statutory audit	3,148,000	2,943,000
As auditors - Internal audit	1,206,180	1,200,000
As auditors - Statutory audit Previous Year	21,124	-
Income Tax Matter & others	165,000	-
Reimbursement of expenses	470,457	338,012
Total	5,010,761	4,481,012
(ii) Details of Prior period items (net)		
<u>Prior period expenses-</u>		
Sales Tax Liability	52,401,574	-
Legal and professional fee	253,219	-
TDS Payment	1,479,152	-
Other Charges	600,640	82,421,133
<u>Prior period income</u>	-	-
Total	54,734,584	82,421,133

Note 23.a Exceptional items

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Industrial Promotion Subsidy	68,509,848	203,864,014
Total	68,509,848	203,864,014

Note 23.b Extraordinary items

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Extraordinary Items	-	-
Total	-	-

Note 24 Disclosures under Accounting Standard - 11 (The Effects of Changes in Foreign Exchange Rates)

The net exchange fluctuations profit of ` 19,09,923/- & Loss of ` 3,23,558/- (Previous Year:- ` 57,91,152/- exchange fluctuations profit).

Note 25 Disclosures under Accounting Standard - 12 (Accounting for Government Grants)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	-	-
Details of government grants		
Government grants received by Autoline during the year towards		
- Subsidies (recognised under Industrial Promotion Subsidy)	68,509,848	203,864,014
- Duty drawback (recognised under Other operating revenues)	885,169	169,034
	69,395,017	204,033,048

Note 26 Disclosures under Accounting Standard - 15 (Employee benefit plans)
Employee benefit plans
Defined contribution plans

The Company makes Provident Fund contributions to Employee Provident Fund Organisation for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

ANNUAL REPORT - 2013

Defined benefit plans

The Company offers the following employee benefit schemes to its employees:

- Gratuity - Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation of India Ltd.
- Other defined benefit plans - Medi Claim & Personal Accident Policy

The following table sets out the funded status of the defined benefit schemes and the amount recognised in the financial statements:

Particulars	Year ended 31st March, 2013		Year ended 31st March, 2012	
	Gratuity	Other defined benefit plans (Medi Claim)	Gratuity	Other defined benefit plans (Medi Claim)
Actual contribution To Benefit Plan for year - Autoline				
Actual contributions	3,471,332	10,937,707	5,603,562	8,719,712

Note 27 Disclosures under Accounting Standards - 16 (Borrowing Cost)

Particulars	For the year ended 31st March, 2013	For the year ended 31st March, 2012
Details of borrowing costs capitalised		
Borrowing costs capitalised during the year in Autoline		
- as fixed assets - Tangible assets	10,980,537	10,725,328
- as fixed assets - Capital WIP	15,089,540	4,274,672
Total	26,070,077	15,000,000

Note 28 Disclosures under Accounting Standards - 17 (Segment Reporting)

Segment information :- The Company has identified business segments as its primary segment and geographic segments as its secondary segment. Business segments are primarily **Press Sheet & Auto Components, Assemblies and Others**. Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment and manpower efforts. All other expenses which are not attributable or allocable to segments have been disclosed as unallocable expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Fixed assets that are used interchangeably amongst segments are not allocated to primary and secondary segments. Geographical revenues are allocated based on the location of the customer. Geographic segments of the Company are USA, Italy and India.

A. BUSINESS SEGMENT REPORTING

Particulars	For the year ended 31st March, 2013		
	Business segments		Total
	Press Sheet & Auto Components, Assemblies	Others	
External Segment Sales	7,997,920,351	8,929,675	8,006,850,026
Inter Segment Sales	-	-	-
Total Revenue	7,997,920,351	8,929,675	8,006,850,026
Segment result (Profit before other income Depreciation & Financial exp)	669,472,865	(21,282,897)	648,189,968
Unallocable Expenses	-	-	-
Operating Profit	669,472,865	(21,282,897)	648,189,968
Finance costs	(374,614,869)	(226,403)	(374,841,271)
Depreciation and Amortisation expense	(226,590,109)	(4,159,979)	(230,750,087)
Other Income	44,319,432	641,117	44,960,549
Profit Before Taxes	112,587,320	(25,028,161)	87,559,158
Tax expense	20,132,485	(977,719)	19,154,766
Net Profit for the year	132,719,805	(26,005,880)	106,713,924
Segment assets	5,678,496,472	1,253,172,879	6,931,669,351
Total Assets	5,678,496,472	1,253,172,879	6,931,669,351
Segment liabilities	3,753,668,832	15,929,374	3,769,598,206
Total Liabilities	3,753,668,832	15,929,374	3,769,598,206

CAPITAL EMPLOYED (SEG. ASSET - SEG. LIABILITIES)	1,924,827,640	1,237,243,504	3,162,071,144
Other information :-			
Capital expenditure :-			
Tangible Assets (Net Block)	2,963,716,966	3,690,231	2,967,407,198
Intangible Assets (Net Block)	128,824,119	2,600,650	131,424,769
Depreciation and amortisation	991,438,249	31,648,280	1,023,086,529

B. GEOGRAPHIC SEGMENT REPORTING

Particulars	Revenues For the year ended 31st March, 2013	Segment assets As at 31st March, 2013	Capital expenditure incurred during the year ended 31st March, 2013	
			Tangible	Intangible
India (Domestic)	5,652,825,761	5,859,848,870	249,513,687	-
Others (Overseas)	2,354,024,266	1,071,820,480	59,416,467	-
Total	8,006,850,026	6,931,669,351	308,930,154	-

Note 29 Disclosures under Accounting Standards - 18 (Related party transactions)
1. Details of related parties:

Description of relationship	Names of related parties
1) Associates	Indian i) Nuvent Technologies Pvt. Ltd. Foreign i) DEP Autoline Inc USA
2) Key Management Personnel (KMP) Managing Director Managing Director & CEO Wholtime Director Chairman (Non-executives Director) Chairman Emeritus	Mr. Shivaji Akhade Mr. M. Radhakrishnan Mr. Sudhir Mungase Mr. Prakash B. Nimbalkar Mr. Vilas Lande
3) Relatives of KMP	-
4) Companies/Entities in which KMP / Relatives of KMP can exercise significant influence	i) Balaji Enterprises ii) Shreeja Enterprises iii) Sumeet Developers iv) Sumeet Packers Pvt. Ltd. v) Siddhai Platers Private Ltd. vi) Om Sai Transport vii) Hotel Vishwa Vilas viii) Hotel Aishwarya Biiyani House ix) Lincwise Software Pvt. Ltd. x) Mr. Nitin Namdeo Devkar
Note: Related parties have been identified by the Management and relied upon by the Auditors.	

2. Details of related party transactions during the year ended 31 March, 2013:

Particulars	Subsidiaries/ Associates	Entities in which KMP / relatives of KMP have significant influence	KMP	Total
Purchase of goods				
Current Year	-	48,789,993	-	48,789,993
Previous Year	-	44,457,599	-	44,457,599
Sale of goods				
Current Year	-	11,510,546	-	11,510,546
Previous Year	-	13,484,845	-	13,484,845
Transportation				
Current Year	-	11,679,387	-	11,679,387
Previous Year	-	12,131,574	-	12,131,574

ANNUAL REPORT - 2013

Rent Paid					
Current Year	-	75,000	-	75,000	
Previous Year	-	-	-	-	
Rendering of services					
Current Year	210,880	-	-	210,880	
Previous Year	2,097,572	-	-	2,097,572	
Receiving of services					
Current Year	-	74,449	2,040,000	2,114,449	
Previous Year	-	333,773	1,800,000	2,133,773	
Dividend Received					
Current Year	4,412,800	-	-	4,412,800	
Previous Year	-	-	-	-	
Dividend Receivable					
Current Year	6,522,600	-	-	6,522,600	
Previous Year	-	-	-	-	
Unsecured Loan Received					
Current Year	-	4,823,221	9,700,000	14,523,221	
Previous Year	-	-	-	-	
Excess Amount Recoverable from Directors					
Current Year	-	-	3,600,000	3,600,000	
Previous Year	-	-	-	-	
Directors Remuneration					
Current Year	-	18,000,000	-	18,000,000	
Previous Year	-	18,000,000	-	18,000,000	
Commission					
Current Year	-	-	-	-	
Previous Year	-	400,000	-	400,000	
Director Sitting Fees					
Current Year	-	480,000	-	480,000	
Previous Year	-	630,000	-	630,000	

Note 30 Disclosures under Accounting Standards - 20 (Earning Per Share)

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
1. Basic Earning Per Share		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	109,106,680	396,750,147
Less: Preference dividend and tax thereon	-	-
Addback : Amortised Cost for ESOP	10,778,844	11,049,425
Net profit / (loss) for the year from continuing operations attributable to the equity shareholders	119,885,524	407,799,572
Weighted average number of equity shares	12,225,484	12,204,969
Par value per share	10	10
Earnings per share from continuing operations - Basic	9.81	33.41
2. Diluted Earning Per Share		
<u>Continuing operations</u>		
Net profit / (loss) for the year from continuing operations	119,885,524	407,799,572
Less: Preference dividend and tax thereon	-	-
Net profit / (loss) for the year attributable to the equity shareholders from continuing operations	119,885,524	407,799,572
Add: Interest expense and exchange fluctuation on convertible bonds(net)	-	-
Less: Amortised cost for ESOP	(10,778,844)	(11,049,425)
Profit / (loss) attributable to equity shareholders from continuing operations (on dilution)	109,106,680	396,750,147
Weighted average number of equity shares for Basic EPS	12,225,484	12,204,969
Add: Effect of warrants, ESOPs and Convertible bonds which are dilutive	69,318	98,553
Weighted average number of equity shares - for diluted EPS	12,294,802	12,303,522
Par value per share	10	10
Earnings per share, from continuing operations - Diluted	8.87	32.25

Note 31 Disclosures under Accounting Standards - 21 (Consolidated Financial Statements)

In terms 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 Subsidiary Companies	Country of Incorporation	As at 31-03-13 Proportion of Ownership Interest either directly or through subsidiary	As at 31-03-12 Proportion of Ownership Interest either directly or through subsidiary
Indian Subsidiaries			
i) Autoline Design Software Limited	India	100.00%	100.00%
ii) Autoline Industrial Parks Limited	India	51.12%	51.12%
Foreign Subsidiaries			
i) Autoline Industries USA INC	USA	100.00%	100.00%
ii) Koderat Investments Ltd	Cyprus	100.00%	100.00%
iii) Autoline Stampings Limited (Subsidiary Autoline Industries USA INC.)	South Korea	100.00%	100.00%

Note 32 Disclosures under Accounting Standards - 22 (Deferred Tax Asset/Liability)

Particulars	As at 31 March, 2013	As at 31 March, 2012
Deferred Tax Liability :		
Opening Balance :	115,815,829	85,565,829
Add: Transferred from Merged Entities	-	-
Add: Current Year Provision	9,540,285	30,250,000
Closing Balance	125,356,114	115,815,829
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	128,053,677	117,883,677
Deferred Tax Asset	2,697,563	2,067,848
Deferred Tax Liabilities (Net)	125,356,114	115,815,829
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	117,883,677	86,438,529
Add: Transferred from Merged Entities	-	-
Add: Current Year Provision	10,170,000	31,445,148
Total	128,053,677	117,883,677
Deferred Tax Assets :		
Tax impact of expenses allowable as deduction in future years under Income Tax :	2,067,848	872,700
Less: Transferred to share premium a/c	-	-
Add: Current Year Provision	629,715	1,195,148
Closing Balance	2,697,563	2,067,848

The deferred tax liability (Net) for the year under consideration amounting to ` 95,40,285/- has been recognized in Profit and Loss Account. The Provision for Deferred Tax Liability for the current year of ` 1,01,70,000/- and Deferred Tax Assets for the Current year of ` 6,29,715/- is provided on the timing difference of the expenditure, depreciation and write offs.

Note 33 Disclosures on Employee share based payments - (Guidelines notes issued by ICAI)

a) In the 12th Annual general meeting of Autoline held on 27th Sept, 2008, the shareholders approved the issue of 8,50,000 options under the Scheme titled "Autoline ESOS 2008" (ESOP A).

The ESOP A allows the issue of options to employees of the Company and its subsidiaries (whether in India or abroad). Each option comprises one underlying equity share.

As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The options granted vest over a period of 5 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 5 years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

ANNUAL REPORT - 2013

b) Employee stock options details as on the Balance Sheet date are as follows:

Particulars	During the year ended 31 March, 2013		During the year ended 31 March, 2012	
	Options (Numbers)	Weighted average exercise price per option (₹)	Options (Numbers)	Weighted average exercise price per option (₹)
Option outstanding at the beginning of the year:				
- ESOP (Employee)	148,540	25	155,691	25
- ESOP (Director)	15,000	25	15,000	25
Granted during the year:				
- ESOP (Employee)	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Vested during the year:				
- ESOP (Employee)	Nil	-	Nil	-
- ESOP (Director)	Nil	-	Nil	-
Exercised during the year:				
- ESOP (Employee)	39,493	25	Nil	-
- ESOP (Director)	5,003	25	Nil	-
Lapsed during the year:				
- ESOP (Employee)	3,292	25	7151	25
- ESOP (Director)	Nil	-	Nil	-
Options outstanding at the end of the year:				
- ESOP (Employee)	105,755	25	148,540	25
- ESOP (Director)	9,997	25	15,000	25
Total Options available for grant:				
- ESOP	689,752	25	686,460	25

c) The fair value of the options has been determined under the Black-Scholes model. The assumptions used in this model for calculating fair value are as below:

Assumptions	31 March, 2013	31 March, 2012
Risk Free Interest Rate	7.00%	7.00%
Expected Life	Average life taken as 1 year from date of Grant (Vest)	Average life taken as 1 year from date of Grant (Vest)
Expected Annual Volatility of Shares	45%	45%
Expected Dividend Yield	Not separately included, factored in volatility working	Not separately included, factored in volatility working

Note 34 Previous year's figures

Disclosure and presentation made in the financial statements as per Revised Schedule VI. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

Note 35 Additional information to the Consolidated Financial Statements

1. Contingent liabilities and commitments

Particulars	As at 31 March, 2013	As at 31 March, 2012
(i) Contingent liabilities		
(a) Claims against the Company not acknowledged as debt		
In Autoline		
- Income Tax Department For Assessment Year 08-09	-	29,296,660
- Income Tax Department For Assessment Year 09-10	4,113,836	-
- Sales Tax Duties For Assessment Year 01-02 & 02-03	23,500,000	23,500,000
- Arbitration Petition filed by Uppal Builders P. Ltd.	18,489,510	-
(b) Bank Guarantee		
In AIL		
- In Favour of Ashok Leyland Nissan Vehicles Ltd, Chennai.	5,200,000	-

- In Favour of Regional officer Maharashtra Pollution Control Board, Mumbai	500,000	-
- In Favour of Tata Motors Limited	1,950,000	-
In ADSL		
- Bank Guarantee (for debonding of warehouse)	350,000	350,000
(c) Corporate Guarantees on behalf of Autoline Industries Indiana LLC, USA		
In Autoline		
- In Favour of Tower Bank Trust Company	\$10,500,000	\$6,150,000
(d) Other money for which the Company is contingently liable		
In ADSL		
Unpaid Dividend on 12% Cumulative Redeemable Preference Shares for the years 2007-08 to 2012-13 ` (` 16,95,511/-)	10,173,066	8,478,022
(ii) Commitments		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
- Tangible assets		
In Autoline	75,000,000	100,000,000
In ADSL	-	10,000,000
In AIPL	200,000,000	20,000,000

2. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 March, 2013	As at 31 March, 2012
In Autoline		
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,029,676	6,404,214
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	1,565,697	867,206
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable for the year	1,565,697	867,206
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	1,565,697	867,206
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	142,347	97,461

Note :- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

3. Value of imports calculated on CIF basis

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
Raw materials & Component		
In Autoline	35,205,981	36,637,671
In ADSL	-	-
Capital goods		
In Autoline	-	60,357,339

ANNUAL REPORT - 2013

4. Expenditure in foreign currency

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
In Autoline		
Foreign Travel	116,759	605,754
Professional and consultation fees	918,573	4,365,107
Testing Charges	155,080	41,650
Clearing and Forwarding Charges	5,781,818	-
Repayment of Loan	92,747,365	122,105,128
Interest - Bank	1,775,953	4,910,042
In ADSL		
Software Upgradation	116,626	48,943

5. Amounts remitted in foreign currency during the year on account of dividend

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
In Autoline		
Amount of dividend remitted in foreign currency	1,359,164	1,032,837
Total number of non-resident shareholders (to whom the dividends were remitted in foreign currency)	7	7
Total number of shares held by them on which dividend was due	339,791	344,279
Year to which the dividend relates	2011-12	2010-11

6. Details of consumption of imported and indigenous items

Particulars	For the year ended 31 March, 2013	
		%
Imported		
Raw materials & Component		
In Autoline (Manufacture goods)		
Current Year	20,775,092	0.36%
(Previous Year)	36,637,671	0.69%
Total Current Year	20,775,092	0.36%
(Total Previous Year)	36,637,671	0.69%
Indigenous		
Raw materials & Component		
In Autoline (Manufacture goods)		
Current Year	4,273,970,672	73.98%
Previous Year	4,316,387,199	81.22%
In ADSL (Traded goods)		
Current Year	5,080,986	0.09%
Previous Year	6,720,466	0.13%
Total Current Year	4,279,051,658	74.07%
Total Previous Year	4,323,107,665	81.34%
Consumption of Foreign Subsidiaries		
In Butler		
Current Year	1,477,114,658	25.57%
Previous Year	954,844,886	17.97%
Total Current Year	1,477,114,658	25.57%
Total Previous Year	954,844,886	17.97%

7. Earnings in foreign exchange

Particulars	For the year ended 31 March, 2013	For the year ended 31 March, 2012
	₹	₹
In Autoline		
i) Export of goods calculated on FOB basis	89,765,083	71,821,230
ii) Amounts received in foreign currency during the year	118,854,194	53,650,403
In ADSL		
i) Export of goods calculated on FOB basis	7,884,515	8,554,773

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR KVMDs & ASSOCIATES
FORMERLY KNOWN AS GUJAR RAWAT SHETH & ASSOCIATES
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO. 121347W

For and on behalf of the Board of Directors

VIJAY B SHETH
 PARTNER
M. NO. 037634

PRAKASH NIMBALKAR
 Chairman

SHIVAJI AKHADE
 Managing Director

M. RADHAKRISHNAN
 Managing Director and CEO

PLACE : PUNE
DATE : 18th May, 2013

RAVIKETKAR
 Chief Financial Officer

ASHUTOSH KULKARNI
 Company Secretary

NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31ST MARCH 2013.

NOTE

PARTICULARS

36 SIGNIFICANT ACCOUNTING POLICIES

36.1 Basis of accounting and preparation of financial statements:

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 up to the same reporting date as that of the Parent Company, i.e. year ended 31st March, 2013. In the case of foreign subsidiaries the company has taken the same reporting date as used above.

b) The consolidated 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 and in respect of ECB/ Deposit of Citi Bank. 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.

36.2 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. 5, 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"), subsidiaries incorporated in India viz. Autoline Design Software Ltd. (hereinafter referred as "ADSL"), Autoline Industrial Parks Ltd. (hereinafter referred as "AIPL") and outside India viz. Autoline Industries USA INC (hereinafter referred as "Butler"), Autoline Stampings Limited, South Korea and Koderat Investments Limited (hereinafter referred as "Koderat").

36.3 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.

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

Tools and Dies under process has been valued on percentage compilation based on estimated cost of production and development of respective tools and dies.

c) Cost includes taxes and duties paid/payable on such goods, wherever applicable.

36.4 Cash and cash equivalents (for purposes of Cash Flow Statement):

Cash comprises cash in hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

36.5 Cash flow statement:

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the companies are segregated based on the available information.

36.6 Events occurring after the date of Balance Sheet:

Material events occurring after the date of Consolidated Balance Sheet are considered up to the date of approval of the accounts by the Board of directors. There are no substantial events having an impact on the results of the current

year Consolidated Balance Sheet.

36.7 Prior Period Items and Changes in Accounting Policies:

There is no change in the Accounting Policies which are being consistently applied by the company. No Prior Period items have materially affected this year's consolidated financial statements. Figures of previous year have been regrouped, rearranged and stated in line with the current year's presentation.

36.8 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 is provided on Written down value method (WDV), 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.

36.9 Revenue recognition:

- a) Sales are accounted on net of tax less sales Returns, Rejection, Penalty on sale & Warranty failed. 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
- b) Service income is recognised on the completion of service / contract with the customer, when the related service are performed.
- c) Dividend Income is recognized when the right to receive the dividend is unconditional at the Balance Sheet date.
- d) Interest Income is recognized on accrual basis.
- e) Insurance Claims receivable from Insurance Companies against risks covered are accounted on in the year of receipt of claim.

36.10 Fixed Asset:

- 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.

36.11 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 be 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 not exceeding ten 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.

36.12 Foreign currency transactions and translations:

- a) The reporting currency of the consolidated financial statement is Indian Rupee.
 - b) On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the non integral foreign operations are translated at exchange rate prevailing on the balance sheet date, and in case of integral foreign operations, at exchange rate prevailing on the date of transactions.
- In case of non integral foreign operations, Income and expenditure items are translated at the monthly average exchange rate and in case of integral foreign operations, at exchange rate prevailing on the date of transactions.
- Exchange differences arising in case of non integral foreign operations are recognised in the Exchange Difference

on Consolidation classified under Reserves and Surplus.

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.

36.13 Government grants, subsidies and export incentives:

Government grants and subsidies are recognised when there is reasonable assurance that the Company will comply with the conditions attached to them and the grants / subsidy will be received. The same is treated as revenue/ capital as per the scheme framed by the Government and the same is routed through statement of Profit & Loss account.

36.14 Investments:

Investments are recorded at cost of purchase. Interest earned on Bank Fixed Deposit is accounted on receipt basis. Unquoted investments are accounted at cost & Provision for diminution in value of long term investment is made, to recognize a decline other than temporary.

36.15 Employee benefits Costs:

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

Contribution in respect of Gratuity is made to the approved Gratuity Fund maintained by Life Insurance Corporation of India Ltd in case of Autoline.

ADSL has not maintained fund for Gratuity at any authorised institution or trust or its own. Only made provision for Gratuity payable and paid when employee left the company.

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

36.16 Employee Stock Options:

Employee Stock Options are evaluated and accounted on intrinsic value method as per the accounting treatment prescribed by Guidance Note on 'Accounting for Employee Share -Based Payments' issued by ICAI read with SEBI (Employee Stock Option Scheme & Employee Stock Purchase Scheme) Guidelines 1999 issued by SEBI. The excess of market value, if any, of the stock option as on the date of grant over the exercise price of the options is recognized as deferred employee compensation and is charged to the profit & loss account on vesting basis over the vesting period of the option .The un-amortized portion of the deferred employee compensation is reduced from Employee Stock Option outstanding, which is shown under Reserves & Surplus.

36.17 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.

36.18 Earnings per share:

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

36.19 Taxes on income:

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

Current and deferred tax relating to items directly recognised in equity is recognised in equity and not in the Statement of Profit and Loss Account.

36.20 Deferred Tax- Asset/ Liability :

The Accounting Standard 22 "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.

36.21 Miscellaneous Expenditure :

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

36.22 Deferred Revenue Expenditure :

The deferred revenue expenditure is considered in respect of Bank Processing fees, professional fees paid for new term loans, the period of which is more than 5 years and foreclosure charges in respect of term loan foreclosed. The same is written off over the period of loan taken / original period of loan foreclosed.

36.23 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.

36.24 Provisions and contingencies:

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.

36.25 Capital work in Progress :

The Expenditure which are of Capital nature and the assets for which it is incurred which has not come into existence/put to use during the year is shown under this head.

36.26 Tools & Dies :

Tools & Dies designed/ manufactured in house have been capitalised considering direct cost of the material, wages paid to tool room employees, and other incidental expenses and proportionate overheads including borrowing cost related thereto

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 31.3.2013		Extent of Holding (%)	Net aggregate amount of Profit / (loss) of the Subsidiary for the financial year ended 31.3.2013 So far as they concern members of the company		Net aggregate amounts of the Profits / loss for the previous Financial years of the Subsidiary Company since it became Subsidiary so far as they concern members of the company as on 31.03.2013	
			Number & face value			Dealt with in the accounts of the Company for the year ended 31.3.2013	Not dealt within the accounts of the Company for the year ended 31.3.2013	Dealt with in the accounts of the company for the year ended 31.3.2013	Not dealt within the accounts of the company for the year ended 31.3.2013
1	Autoline Design Software Limited	31.3.2013	1). 21,40,816 fully paid up equity shares of ₹ 10/- each 2). 14,12,926 (12% Cumulative Redeemable Preference Shares of ₹ 10/- each fully paid)	100%		(38,62,718)	NIL	89,88,674	NIL
2	Autoline Industrial Parks Ltd	31.3.2013	2,48,25,000 fully paid up equity shares of ₹ 10/- each	51.12%		(25,02,407)	(23,92,756)	88,61,761	83,48,655
3	Autoline Industries INC USA . INC	31.3.2013	211 fully paid and non assessable shares of the common stock.	100%		8,62,95,935	NIL	14,63,25,781	NIL
4	Autoline Stampings Ltd. (KOREA)	31.3.2013	2000 Stock of Won 5000 each fully paid	100%		2,07,76,297	NIL	4,44,50,074	NIL
5	Koderat Investments Limited, Cyprus	31.3.2013	1,000 Shares/ Stock of Euro 1 each fully paid	100%		(12,40,697)	NIL	(1,09,81,927)	NIL

Place : Pune**Date : 18th May, 2013****FOR AND ON BEHALF OF BOARD
AUTOLINE INDUSTRIES LIMITED****PRAKASH NIMBALKAR**
*Chairman***SHIVAJI AKHADE**
*Managing Director***M. RADHAKRISHNAN**
*Managing Director & CEO***RAVI KETKAR**
*Chief Financial Officer***ASHUTOSH KULKARNI**
Company Secretary

Details of Balance Sheet and Profit and Loss Account of Subsidiary Companies for the year ended 31st March, 2013

SR. NO	PARTICULARS	INDIAN SUBSIDIARIES			FOREIGN SUBSIDIARIES		
		AUTOLINE DESIGN SOFTWARE LIMITED	AUTOLINE INDUSTRIAL PARKS LIMITED	AUTOLINE INDUSTRIES USA., INC	AUTOLINE STAMPINGS LTD. (KOREA)	KODERAT INVESTMENTS LIMITED CYPRUS	
1	Share Capital	35,537,420	485,602,500	157,629,500	5,435,500	67,280	
2	Reserves and Surplus	4,424,535	281,342,917	146,325,781	44,465,108	(10,981,927)	
3	Total Assets	51,366,272	879,123,850	618,013,962	113,982,979	338,410,309	
4	Total Liabilities	11,404,317	112,178,433	314,058,681	64,082,371	349,324,955	
5	Details of Investments	-	-	-	-	-	-
	Government	-	-	-	-	-	-
	Securities	-	-	-	-	-	-
	Shares (Excluding subsidiaries)	-	-	-	-	-	-
	Mutual Funds	-	134,122	-	-	-	-
6	Turnover and Other Income	28,929,551	8,555	2,030,554,269	337,900,886	-	-
7	Profit before Taxation	(3,555,699)	(4,224,463)	114,098,596	37,556,168	(1,240,697)	
8	Provision for Taxation	307,019	670,700	27,802,660	16,779,901	-	-
9	Profit after Taxation	(3,862,718)	(4,895,163)	86,295,935	20,776,297	(1,240,697)	
10	Proposed Dividend	-	-	-	-	-	-

Notes:

1 In Respect of Foreign Subsidiaries:

- Autoline Stampings Ltd. (South Korea) is the subsidiary of Autoline Industries USA, INC.
 - Autoline Industries USA, INC and Autoline Stampings Ltd. :- Item Nos. 1 to 5 are translated at exchange rate as on 31st March, 2013 - USD = ` 54.36.
 - Autoline Industries USA INC. :- Item Nos. 6 to 9 are translated : at monthly end average exchange Rate USD= ` 54.31
 - Koderat Investments Limited: Item Nos. 1 to 9 are translated at Exchange rate prevailing on the date of transaction.
- The above details have been annexed in terms of General Circular No 02/2011 dated February 8, 2011 issued by the Ministry of Corporate Affairs under the provisions of Section 212 (8) of the Companies Act, 1956.

AUTO LINE
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 17th Annual General Meeting of the Company at S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka -Khed, Dist-Pune- 410 501 on Thursday, 26th September, 2013 at 2.30 p.m.

Name _____

Ledger Folio / ID No.	No. of Shares	Signature
-----------------------	---------------	-----------

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



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 17th Annual General Meeting of the Company to
be held on Thursday, 26th September, 2013 at 2.30 p.m. and / or at any adjournment thereof.

Ledger Folio / ID No.	No. of Shares
-----------------------	---------------

Signed this _____ day of _____ 2013.

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

AUTO LINE
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 : _____

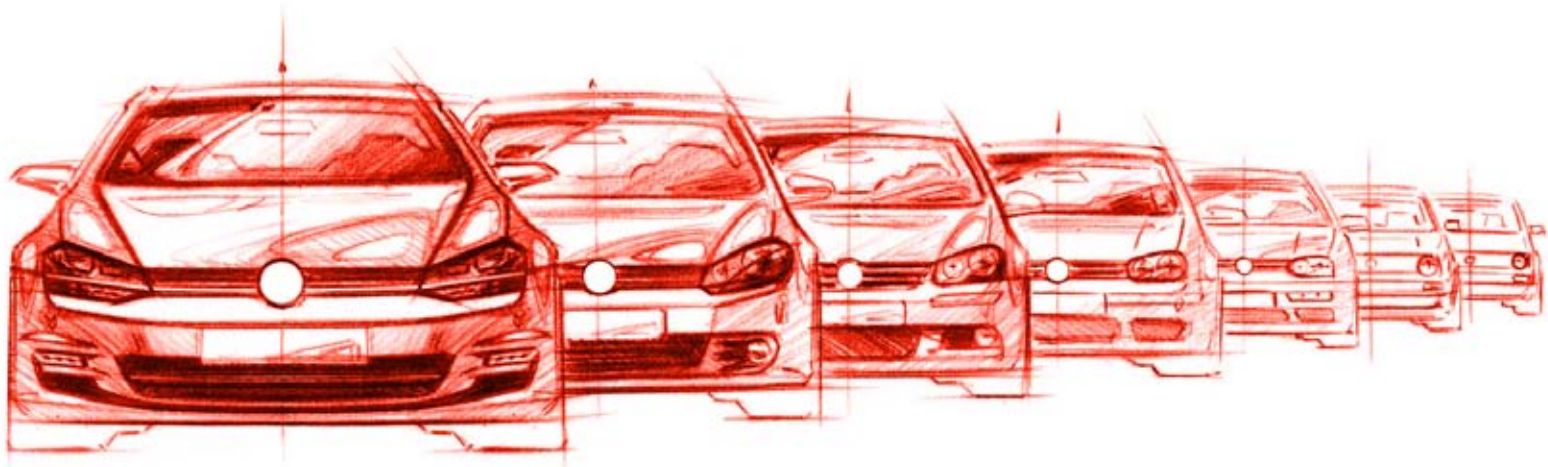
Signature of Shareholder/s _____



Extension of High Deck Load Body line (with installed capacity of 400 per day),
Uttarakhand, India



Manufacturing Facility at Dharwad, Karnataka, India



**NOT JUST DESIGN...
EVOLUTION!**

FORM A

Covering letter of the annual Audit report to be filed with the Stock Exchanges

1.	Name of the Company	Autoline Industries Limited
2.	Annual financial statements for the year ended	31 st March 2013
3.	Type of Audit Observation	Un-qualified
4.	Frequency of Observation	Not Applicable
5.	To be signed by -	
	• CEO/Managing Director	<p>For AUTOLINE INDUSTRIES LTD</p> <p><i>[Signature]</i></p> <p>Managing Director</p> <p>Name - M. Radhakrishnan</p>
	• CFO	<p>For Autoline Industries Ltd.</p> <p><i>[Signature]</i></p> <p>Chief Financial Officer)</p> <p>Name - Ravi Ketkar</p>
	• Auditor of the company	<p>For KVMD S & ASSO Chartered Accountants</p> <p><i>[Signature]</i></p> <p>Vijay B. Shetty Partner</p> <p>Mem. No. 037634</p>
	• Audit Committee Chairman	<p>For Autoline Industries Ltd.</p> <p><i>[Signature]</i></p> <p>Name - Vijay Thanawala</p>