

COMPANY INFORMATION

Board of Directors

Mr. D. S. Gupta (Chairman)
Mr. Satish Pradhan
Mr. Atul Bansal
Mr. Rajiv Dube
Mr. Raman Nanda
Mr. Rajiv Bakshi

Chief Executive Officer

Mr. Sanjiv Kumar

Secretary

Mr. Shailendra Dindore

Bankers

HDFC Bank Limited
State Bank of India
Bank of Maharashtra

Registered Office

G-71/2, MIDC Industrial Area,
Pune 411 026, Maharashtra.

Auditors

M/s Price Waterhouse
Chartered Accountants

Works

G-71/2, MIDC Industrial Area, Bhosari,
Pune 411 026, Maharashtra

Gat No. 427, Medankarwadi, Chakan,
Taluka Khed, Pune 410 501, Maharashtra

Survey No. 173, Village-Khakharia,
Taluka Savli, Near GIDC, Halol 389 350,
Gujarat

Share Transfer Agent

MCS Limited
1st Floor, 116-118, Akshay Complex, Off
Dhole Patil Road, Near Ganesh Mandir,
PUNE - 411 001
Tel : (020) 30906685 / 26129597
Fax : (020) 26129597

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NOTICE

NOTICE is hereby given that the Fourteenth Annual General Meeting of the members of Automotive Stampings and Assemblies Limited will be held on Wednesday, the 23rd day of June, 2004 at 3:00 P.M. at "Nehru Memorial Hall", Atur Foundation House, 4, Dr. Ambedkar Road, Pune 411 001 to transact the following business:

ORDINARY BUSINESS :

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2004 and the Profit and Loss Account for the year ended on that date and the Report of the Directors and Auditors thereon.
2. To declare dividend on 12% Cumulative Redeemable Preference Shares.
3. To appoint a Director in place of Mr. Atul Bansal, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Rajiv Dube, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS :

6. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and other applicable provisions of the Companies Act, 1956, read with and in accordance with the conditions specified in Schedule XIII to the said Act and subject to the approval of the Central Government, if necessary, the Company hereby approves of the appointment and terms of remuneration of Mr. Sanjiv Kumar as "Manager" u/s 269 of the Companies Act, 1956 with designation as 'Chief Executive Officer' for a period of 3 years with effect from 1st October, 2003 upon the terms and conditions as set out below and in the Agreement entered into in this behalf, with liberty to the Board of Directors and/or Remuneration Committee, to alter and vary the terms and condition of the said appointment and/or Agreement in such manner as may be agreed to between the Directors and Mr. Sanjiv Kumar ("the appointee"):-

i. Remuneration :

- a. **Salary:** In the scale of Rs.50,000/- to Rs.75,000/- per month with authority to the Board and/or Remuneration Committee to fix his salary within the above scale from time to time. Present salary being Rs.50,600/- per month. The increments may be decided by the Board and /or Remuneration Committee from time to time subject however to an amount not exceeding Rs. 75,000/- per month.
- b. **Incentive Remuneration:** Upto 200 % of salary to be paid at the discretion of the Board and / or Remuneration Committee and is based on certain performance criteria.
- c. **Perquisites and allowances:** The appointee will be entitled to the perquisites and allowances as are allowed to the Senior Executives in M1 Level, as applicable to his job, in the Company based on the approval of the Board and/or Remuneration Committee from time to time in addition to the salary and incentive remuneration. Such perquisites and allowances will be subject to a maximum of 150% of his annual salary.
 - In arriving at the value of the perquisites insofar as there exists a provision for valuation of perquisites under the Income Tax Rules, the value shall be determined on the basis of Income Tax Rules in force from time to time.
 - Provision for use of Company's car for official duties and telephone/fax at residence shall not be included in the computation of perquisites and allowances for the purpose of calculating the said ceiling.

NOTICE

- Company's contribution to Provident Fund and Superannuation Fund or Annuity Fund, to the extent these either singly or together are not taxable under the Income-tax Act, Gratuity payable as per the rules of the Company and encashment of leave at the end of the tenure shall not be included in the computation of limits for the remuneration or perquisites aforesaid.

ii. Minimum Remuneration :

Notwithstanding anything to the contrary herein contained, where in any financial year the profits are inadequate, the Company will pay remuneration for a period not exceeding 3 years by way of salary, incentive remuneration, perquisites and allowances as specified above.

7. To consider and if thought fit, to pass, with or without modifications, the following resolution as a Special Resolution:

"RESOLVED THAT, subject to the provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003 and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions, which may be agreed to, by the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall be deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by this Resolution), consent is hereby accorded to the Board to delist the Company's Equity Shares from The Delhi Stock Exchange Association Limited at Delhi and Pune Stock Exchange Limited at Pune.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorised to do all such acts, deeds, matters and things, including filing of applications and other documents with delisting stock exchanges, as it may in its absolute discretion deem necessary, expedient, usual, proper or desirable and to settle all questions, difficulties and doubts whatsoever that may arise in regard to the aforesaid voluntary delisting of equity shares as it may in its absolute discretion deem fit without being required to seek any further approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval expressly by the authority of this resolution".

Registered Office:
G-71/2, M.I.D.C. Industrial Area,
Bhosari, Pune 411026,

BY ORDER OF THE BOARD
for Automotive Stampings and Assemblies Limited

Place: Pune
Dated: May 4, 2004

Shailendra Dindore
Secretary

NOTES

1. Explanatory Statements under section 173(2) of the Companies Act, 1956 relating to Special Business to be transacted at the meeting, are annexed hereto and form part of the notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND ON A POLL ONLY TO VOTE INSTEAD OF HIM/HER. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE MEETING.
3. Members are requested to bring their personal copy of the Annual Report to the meeting.
4. Queries on accounts and operations of the Company, if any, may please be sent to the Company seven days in advance of the Meeting so that the answers may be made available at the Meeting.
5. The Register of Members and Share Transfer Books of the Company shall remain closed from 16th June, 2004 to 23rd June, 2004 (both days inclusive).
6. Under section 205A of the Companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the date of payment is required to be transferred to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the Company has transferred the unclaimed dividend of 1995-96 to the IEPF during the year.

The shareholders who have not encashed the dividend warrant(s) so far for the Dividends of 1996-97 or 1997-98 are requested to make their claims to the Company immediately. Please note that as per section 205C of the Companies Act, 1956, no claim shall lie against the Company or the said Fund in respect of individual amounts which remain unclaimed or unpaid for a period of seven years from the date of payment and no payment shall be made in respect of any such claims. The unclaimed dividend declared for the financial year 1996-97 on 18th September 1997 will be transferred to the IEPF in November, 2004.

7. The Company has paid the annual listing fee to the respective stock exchanges for the financial year 2004-05.
8. The Company has entered into agreement with National Securities Depository Limited and Central Depository Services Limited to facilitate the investors to trade in the Company's equity shares in dematerialised form. The Securities and Exchange Board of India (SEBI) has also made compulsory trading in Company's equity shares in dematerialised form with effect from 30.07.2001. The members are requested to consider dematerialising the equity shares held by them.
9. As per the scheme of arrangement (demerger) between the Company and JBM Auto Components Limited, the shareholders of the Company were required to surrender the original share certificates of the Company for exchange of new shares of both the Companies. Those who have not yet surrendered the share certificates of the Company for exchange are requested to handover / send the same to the Registrar & Share Transfer Agents at the below mentioned address:

MCS Limited

(Unit: Automotive Stampings and Assemblies Limited)

First Floor, 116 – 118,

Akshay Complex,

Off Dhole Patil Road,

Near Ganesh Mandir, Pune 411 001

Phone : (020) 2612 9597 / 30906685

Fax : (020) 2612 9597

Email ID : mcpune@vsnl.net

NOTICE

Explanatory Statements

The following Explanatory Statements pursuant to Section 173 of the Companies Act, 1956, set out all material facts relating to the business mentioned at Item Nos. 6 and 7 in the accompanying Notice dated May 4, 2004.

ITEM NO. 6

The Board of Directors at its Meeting held on 28th October, 2003 appointed Mr. Sanjiv Kumar as a "Manager" of the Company with designation "Chief Executive Officer" for a period of 3 years from 01.10.2003 to 30.09.2006.

The Remuneration Committee of the Board has at its Meeting held on 6th November, 2003 approved the remuneration payable to him.

The said appointment is subject to the approval of the members.

As required under section 302 of the Companies Act, 1956, an abstract of the provisions of the remuneration and perquisites payable to him was sent to the members in November, 2003.

The Department of Company Affairs has vide notification dated January 16, 2002, amended Schedule XIII to the Act, revising the limits for payment of managerial remuneration by companies in case of loss or inadequacy of profits in any financial year which, inter alia, requires the Members' approval for payment of managerial remuneration to the managerial person for a period not exceeding 3 years.

Besides the terms and conditions for payment of managerial remuneration as contained in the proposed resolution, the other main terms and conditions, contained in the agreement entered into in this behalf with the appointee as given below:

- (1) The terms and conditions of the said agreement and / or appointment may be revised, enhanced, altered and varied from time to time by the Board of Directors of the Company and/or Remuneration Committee in such manner as may be agreed to between the Board and the appointee within the maximum amounts payable to managerial person in accordance with the provisions of the Companies Act, 1956 or any amendments or re-enactments thereof made hereafter in this regard.
- (2) The appointee is subject to the supervision and control of the Board of Directors, entrusted with substantial powers of management and shall also perform such other duties as may from time to time be entrusted to him.
- (3) The appointee shall not, either before or after the termination of this Agreement, disclose to any person whatsoever, any information relating to the Company or its customers or any trade secret of which he may come to know while acting as the Manager.
- (4) The appointee shall not be entitled to supplement his earnings under the Agreement with any buying or selling commission. He shall not also become interested or otherwise concerned directly or through his wife and/or minor children in any selling agency of the Company, without the prior approval of the Central Government.
- (5) If at any time, the appointee ceases to be in the employment of the Company for any cause whatsoever, he shall cease to be the Manager of the Company and this agreement will forthwith terminate.
- (6) In case the appointee dies in the course of his employment, the Company shall pay to his legal personal representative the salary and current emoluments for the then current month.
- (7) The appointee shall not have the following powers -
 - i) the power to make calls on shareholders in respect of money unpaid on their shares in the Company.
 - ii) the power to issue debentures.
 - iii) the power to invest the funds of the Company in shares, stocks and securities.
- (8) The agreement may be terminated by either party by giving six months' notice of such termination or the Company paying six months' salary in lieu thereof.

In compliance with the provisions of Section 269, 309 and other applicable provisions of the Act, the appointment of Mr. Sanjiv Kumar as per with terms and conditions contained in Item No. 6 of the Notice and as per the agreement between the Company and the appointee is now being placed before the members in general meeting for their approval.

The Agreement between the Company and the appointee is available for inspection by the Members of the Company at its Registered Office between 11.00 a.m. to 1.00 p.m. on any working day of the Company.

None of the Directors of the Company is interested in this resolution.

Additional information relevant to the said appointment of Manager as per Notification dated January 16, 2002 issued by the Department of Company Affairs.

I. General Information

- (i) Nature of Industry: The Company is manufacturer of sheet metal components.
- (ii) Date or expected date of commencement of commercial production: The Company was incorporated on 13th March, 1990. All plants of the Company are in Commercial Production for more than last 6 years.
- (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not applicable.
- (iv) Financial performance based on given indicators - as per published audited financial results for the accounting year ended March 31, 2003:

Particulars	(Rupees in lacs)
Turnover & Other Income	14816.84
Net Profit as per Profit & Loss A/c.	1215.85
Excess of Expenditure over Income in so far as such excess has not been deducted	(1492.58)
Loss as computed under Section 309 (5) read with Section 198	(1466.01)
Net Worth	3891.71

- (v) Export performance and foreign exchange earned for the financial year ended March 31, 2003: Nil
- (vi) Foreign Investments or collaborations, if any: Not applicable

II. Information about the appointee :

- (i) Background details:

Mr. Sanjiv Kumar is a B.Tech. (Metallurgical Engineering) from IIT-Kanpur and PGDM from IIM-Ahmedabad (1983). He has been with Tata AutoComp Systems Limited (TACO) since January, 1998 and has built and managed TC Springs Limited, a Joint Venture of TACO with CHUO SPRING CO., JAPAN, as the Chief Executive Officer.

Before joining Tata Group, Mr. Sanjiv Kumar has work experience with rich diversity of Sales and Marketing assignments at Larsen and Toubro across a 10 year period, followed by General Management positions (President/Chief Executive) at Cosmo Ferrites / Cosmo Films across a 5 year span.

NOTICE

- (ii) Past Remuneration drawn :

	Total (Rs. in '000)
During the Financial year 2002 – 03	2264

Notes: 1) Contributions to provident fund, Superannuation funds etc. are excluded from the above remuneration.

2) Past remuneration represents remuneration drawn from his previous employment.

- (iii) Recognition & Awards / Achievements : -

- (iv) Job Profile and suitability :

Mr. Sanjiv Kumar is responsible for overall management of the Company, subject to the supervision and control of the Board of Directors. He is also responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

- (v) Remuneration proposed :

Salary	In the range of Rs.50,000/- to Rs.75,000/- per month. Present salary being Rs.50,600/- per month.
Incentive Remuneration	Upto 200% of salary to be paid at the discretion of the Board and/or Remuneration Committee, annually, based on certain performance criteria.
Perquisites & Allowance #	Upto 150% of salary.
Minimum Remuneration in case of inadequacy of profits during any financial year	Salary, incentive remuneration and perquisites and allowances as mentioned above.

The increments may be decided by the Board and /or Remuneration Committee from time to time subject however to an amount not exceeding Rs. 75,000/- per month.

Excludes company's contribution to provident, superannuation and gratuity funds and leave encashment.

- (vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin): Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointees in other companies.
- (vii) Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any: Besides the remuneration proposed, the appointee does not have any other pecuniary relationship with the Company.

III. Other Information :

- (i) Reasons for loss or inadequate profits in 2002-03: The increase in prices of steel during the year 2002-03 put tremendous pressure on the profit margins of the Company. Excluding extra-ordinary income in the form of gain on remission of liability and profit on sale of investments, the Company incurred a loss of Rs. 11.90 lacs in the year 2002-03 as compared to loss of Rs. 259.33 lacs for the previous accounting year.
- (ii) Steps taken by the Company to improve performance: In the year 2002-03, the Company carried out financial restructuring by effecting the sale of its investments, infusion of preference share capital, replacement of high cost loans with low cost loans and prepayment of sales tax deferral loan at discounted value. The results of the same in the form of substantial savings in the financial cost are visible in the current year. The Company has further undertaken the profitability improvement / cost reduction initiatives coupled with low cost automation in the current year.

NOTICE

The Company is also exploring the export business to diversify its customer base.

- (iii) Expected increase in productivity and profits in measurable terms: The Company has significantly improved its performance in the current year as compared to the previous year. Relevant financial parameters stating the performance for the current year as compared to the previous year are given below:

Particulars	(Rs. in lacs)	
	Year ended March 31, 2004 (Audited)	Year ended March 31, 2003 (Audited)
Total Income excluding Extra-ordinary Income	17696	12990
Profit before Depreciation, Financial charges and Tax	1910	1111
Extra-ordinary Income	351	1826
Profit before tax	1317	1814
Profit after tax	732	1216

ITEM NO. 7

Presently the Company's Equity Shares are listed on the following four Stock Exchanges in India:

- Pune Stock Exchange Limited (PSE);
- The Stock Exchange, Mumbai (BSE);
- National Stock Exchange of India Limited (NSE); and
- The Delhi Stock Exchange Association Limited (DSE).

With the wide and extensive networking of centers of the BSE and NSE, the Investors have access to online dealings in the Company's Equity Shares across the country. Moreover, the Company's Equity Shares are one of the scrips which Securities and Exchange Board of India (hereinafter referred to as "SEBI") has specified for settlement only in demat form by all investors, effective 30th July, 2001.

The trading volumes of the Company's Equity Shares on the Stock Exchanges at Delhi and Pune (hereinafter referred to as "the said delisting Stock Exchanges") are almost nil for the last three financial years viz. from 2001-02 to 2003-04. The annual listing fees paid to the said delisting Stock Exchanges constitute about 50% of the total listing fees paid to all the four Stock Exchanges. The annual recurring listing fees paid to the said Stock Exchanges, do not now offer commensurate benefits to the Company/its investors in the changed scenario of the nationwide trading terminals set up by BSE and NSE. The continued listing on the said Stock Exchanges is, therefore, not considered necessary. It would further contribute to reduction in administrative costs/efforts of the Company. The Board of Directors, at its meeting held on 4th May, 2004, has decided to apply for the voluntary delisting of the Company's Equity Shares from the said delisting Stock Exchanges.

The proposed voluntary delisting of the Company's Equity Shares from the said delisting Stock Exchanges will not adversely affect any investors including the Members located in the regions where the said Stock Exchanges are situated. Pursuant to the Securities and Exchange Board of India (Delisting of Securities) Guidelines, 2003, it is now proposed to seek the Members' approval by way of a Special Resolution for voluntary delisting of the Company's Equity Shares from the said two delisting Stock Exchanges as set out in the Resolution at Item No. 7 in terms of the said Guidelines, as the Company's Equity Shares shall continue to remain listed on the BSE and NSE, no Exit Option is required to be offered to the Shareholders.

The proposed delisting is in the interest of the Company and the Board commends the Resolution for acceptance by the Members.

None of the Directors is interested in the above resolution.

Registered Office :
G-71/2, M.I.D.C. Industrial Area,
Bhosari, Pune 411026,

BY ORDER OF THE BOARD
for Automotive Stampings and Assemblies Limited

Place: Pune
Dated: May 4, 2004

Shailendra Dindore
Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in submitting their Fourteenth Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended 31st March 2004.

FINANCIAL AND OPERATIONAL PERFORMANCE

The summarised financial results of the Company for the period under review are :

(Rs. in million)

	Financial Year	
	2003-04	2002-03
Total Income excluding Extra-ordinary Income	1,769.61	1,299.06
Profit before Depreciation, Financial Charges and Tax	191.03	111.10
Less : Depreciation	74.67	69.12
: Financial Charges	19.70	43.17
Add : Extra-ordinary Income	35.05	182.62
Profit before Tax	131.71	181.43
<u>Provision for Taxation</u>		
a. Current Tax	10.20	9.64
b. Deferred Tax	48.30	50.21
Profit After Tax	73.21	121.58
Balance from last year	(27.67)	(149.25)
Profit available for appropriation	45.54	-
Appropriations		
- Transfer to General Reserve	4.00	-
- Proposed Dividend on Preference Shares (including Arrears of Dividend)	21.74	-
- Tax on Dividend	2.79	-
Balance Carried Forward	17.01	(27.67)

The financial year 2003-04 was a year of turnaround for the Company. The turnover of the Company grew by 38% during the year. In view of increased business volume due to favourable economic factors and thrust of the management to improve the operational efficiencies, the operating profit before interest and depreciation has improved to 11% as against 9% for the previous year. With better financial management and continued benefit of financial restructuring carried out in 2002-03, the financial cost has been significantly reduced to Rs. 20 million from Rs. 43 million of the previous year.

During the year, your Company has earned an extra-ordinary income of Rs. 35 million on account of prepayment of sales tax liability under the scheme of Government of Maharashtra as against Rs. 183 million in 2002-03 which also includes profit on sale of investments of Rs. 97 million. Hence to that extent, current financials are not comparable with that of the previous year.

DIVIDEND

The Directors recommend payment of dividend on the 12% Cumulative Redeemable Preference Shares for the year 2003-04 and also pro rata from the date of allotment to March 31, 2003 as per the terms of issue. It would lead to an outflow of Rs. 22 million, exclusive of dividend tax.

In view of the proposed major capacity expansion at Chakan Works, the Directors do not recommend any dividend on equity shares.

EXPANSION

Your Company has embarked on a major capacity expansion at Chakan Works with an outlay of Rs. 360 million to cater to the increased volumes of domestic customers and to support export opportunities. The expansion will increase the in-house capacity by 50% and the project is expected to be completed by March 2005.

INDUSTRY STRUCTURE AND DEVELOPMENTS

The concept of selling in global automobile industry is changing from original sales towards lifecycle value generation, encompassing financing, repairs and maintenance, cleaning, provision of accessories, and so on. Carmakers are increasingly seeking to capture downstream value through subsidiaries and joint ventures. Vehicle manufacturers are moving into completely new materials and technologies – partly guided by environmental legislation – in striving to come up with radically different products. The increasing need to attain global scales underscores the importance of platform sharing among carmakers. All original equipment manufacturers (OEMs) are trying to reduce the number of vehicle platforms, but raise the number of models produced from each platform. This means producing a number of seemingly distinct models from a common platform.

In Indian Automobile Industry, the dominant basis of competition has changed from price to price-value, especially in the passenger car segment. While the Indian market remains price sensitive, the stranglehold of Economy models has been slackening, giving way to higher-priced products that better meet customer needs. With the launch of new models from financial Year 2000 onwards, the market for Multi-utility Vehicles (MUVs) has been redefined in India, especially at the upper-end. Currently, the higher-end MUVs, commonly known as Sports Utility Vehicles (SUVs), occupy a niche in the urban market, having successfully shaken off the tag of commercial vehicles attached to all MUVs till recently. With the success of SUVs, the line of distinction between passenger cars and MUVs in the Indian market is getting increasingly blurred. Domestic car manufacturers are now venturing into areas such as car financing, leasing and fleet management, and used-car reconditioning / sales, to complement their mainstay – business of selling new cars.

The Indian automotive components industry has been showing significant changes. In the emerging procurement model, there has been a significant reorientation of the assembler-supplier relationship. What this has involved, among others, is the practice of OEMs providing the overall performance specification and information about the car and the supplier designing an appropriate solution using a unique technology adapting to the specific requirements of the OEM. Carmakers are increasingly outsourcing component production and focusing on product design, brand management and consumer care, in contrast to the traditional emphasis on manufacturing and engineering. The components industry is undergoing rapid tierisation with the Tier 1 suppliers (those who supply directly to the carmakers) closely collaborating with car manufacturers. The importance of suppliers in the Indian automobile industry is set to increase.

OPPORTUNITIES AND THREATS

The benefit of suppliers having a greater share in production process will be felt in lower break-even volumes for OEMs, a critical issue in the Indian Passenger Car Industry. Modularisation (selling systems or modules rather than individual components) represents a tremendous opportunity for the automotive component industry, as a greater portion of the value of the car is outsourced by the vehicle manufacturers. Indian companies that are not part of a global supplier network still have a chance of securing contracts for components that have supplier design content, if they can offer guarantees on quality and delivery and be competitive on price. Further, there is a lot of potential in the replacement market.

If the growth in the car market slows down, the possibility of passing on cost increases to customers in the form of price hikes becomes very difficult. Recognising that the suppliers form a key component of the cost structure, carmakers are looking at the supplier companies to assume greater responsibility in the production process. Proximity

DIRECTORS' REPORT

to the OEMs manufacturing facility is important. For a few components, a site next to the plant is critical and the logistics issue is paramount. The poliferation of models has resulted in poliferation of parts demanded by OEMs. This makes it increasingly difficult for the components industry to achieve scale economies in each of the individual parts. However, trend towards standardization of certain components across models, in order to achieve scale economies and reduce costs are evident.

SEGMENT-WISE PERFORMANCE

The Company operates in only one business segment viz., "Automobile Industry" and hence segment-wise reporting is not applicable to the Company.

FUTURE OUTLOOK

In the financial year 2004, the passenger vehicles sales, including exports, crossed the million mark at 1,030,068 units. Sales were up 32 % compared with the last year. During the year under review, the industry also clocked \$ 1 billion exports with a growth of 56%. Since India is likely to be increasingly serve as the sourcing base for global automotive companies, automotive exports are also likely to account for a larger share of the total demand for passenger cars in the coming years. The growth trends are likely to vary across segments. In the medium term, growth in the Indian passenger car industry is expected to be led by the Compact and Mid-range segments.

The commercial vehicles (CVs) sales, including exports, witnessed an increase of 37% in financial year 2004. The development of a network of highways may enable plying of higher powered vehicles that have higher speed; thus the demand for multi-axle vehicles is expected to increase significantly. Besides, structural changes in the road transportation, industry may also affect demand for goods carriers. The easy financing solutions against the backdrop of the low interest rate regime and entry of new players in CV financing may prompt transporters to avail themselves of such options and replenish their truck fleets

The Company plans to achieve export sales during the year 2004-05. A few orders have already been received. The increased volumes of existing customer programs and launch of new customer programs together with export orders have necessitated expansion of the capacity. The proposed expansion at the Chakan Works of the Company would enable the Company to cater to the increased demand. The Company has initiated efforts on cost reduction, productivity and efficiency improvements in the areas of operations.

RISKS AND CONCERNS

The rise in the cost of key input viz. steel is likely to put pressure on the margins of the Company. There has been increasing demand from the OEMs to effect cost reduction and improve productivity. Because of the volatile nature of domestic offtake, the auto component industry is gearing up on exports. For exports, the efforts to reduce costs further and improve quality levels are critical. The key sectors that affect the fortunes of the auto component companies in the long run are agriculture and investment in infrastructure such as roads, telecom, construction and power.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a system of internal controls in place to ensure that all the transactions are properly recorded and authorised. The internal control system is supplemented by documentary policies and procedures. The same is further supplemented by a programme of audits by the Internal Auditors who periodically present their observations to the audit committee.

HUMAN RESOURCES

Your Company has strength of 461 permanent employees on its payroll as on 31st March, 2004.

There has been no material development in Human Resources/Industrial relations during the period covered by this Annual Report. Harmonious industrial relations continued to prevail at all the units throughout the Company.

QUALITY INITIATIVES

The plants at Pune obtained TS 16949 certification during the year 2003-04.

DIRECTORS

Mr. Atul Bansal and Mr. Rajiv Dube will retire by rotation at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment.

The Directors recommend their appointment.

APPOINTMENT

Mr. Sanjiv Kumar has been appointed as Chief Executive Officer of the Company from 1st October, 2003. His appointment and the remuneration payable to him as Manager under section 269 of the Companies Act, 1956 require the approval of the Members at the ensuing Annual General Meeting. The Directors recommend the proposal.

VOLUNTARY DELISTING OF THE COMPANY'S EQUITY SHARES FROM CERTAIN STOCK EXCHANGES

The Equity Shares of the Company are presently listed on The Stock Exchange, Mumbai (BSE), National Stock Exchange of India Limited (NSE), Pune Stock Exchange Limited and The Delhi Stock Exchange Association Limited. The shares of the Company are compulsorily traded in dematerialised form.

Attention of the Members is drawn to Item No. 7 of the Notice of the Annual General Meeting and the Explanatory Statement attached thereto, whereby the Company proposes to delist its equity shares from Pune Stock Exchange Limited and The Delhi Stock Exchange Association Limited. The delisting would further contribute to the cost reduction initiative taken across various functional areas of the Company.

The Directors recommend the voluntary delisting of the Company's shares from Stock Exchanges at Pune and Delhi.

HOLDING COMPANY

Consequent to transfer of shareholding amongst the promoters, Tata AutoComp Systems Limited has become the holding company with effect from 26th March, 2004.

CORPORATE GOVERNANCE

As a listed Company, necessary measures are taken to comply with the Listing Agreements with the stock exchanges. A report on Corporate Governance, along with a certificate of compliance from the Auditors, forms part of this Report.

THE DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(2AA) of the Companies Act, 1956, the Directors confirm that -

1. In the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
2. They have, in the selection of the accounting policies, consulted the auditors and have applied them consistently and made judgements 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 the end of the financial year and of the profit of the Company for that period;
3. They have taken proper and sufficient care, to the best of their knowledge and ability, 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;
4. They have prepared the annual accounts on a going concern basis.

DIRECTORS' REPORT**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information on conservation of energy, technology absorption, foreign exchange earnings and outgo required in terms of Section 217(1)(e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in the enclosed Annexure.

PARTICULARS OF EMPLOYEES

There was no employee who received remuneration in excess of the limits prescribed under section 217 (2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

AUDITORS

M/s. Price Waterhouse, Chartered Accountants, who retire at the conclusion of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

FORWARD LOOKING STATEMENTS

Certain Statements describing the Future outlook, Industry structure and developments may be "forward – looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply, price conditions in domestic and overseas market in which the Company operates, changes in Government regulations, tax laws and other statutes.

ACKNOWLEDGEMENTS

The Directors wish to place on record their sincere thanks and appreciation for the guidance, support, continued co-operation extended by financial institutions, bankers, Central and State Governments, customers, suppliers and shareholders.

The Directors also take this opportunity to acknowledge the dedicated efforts of the employees.

**For and on behalf of the
Board of Directors**

**D.S. Gupta
Chairman**

Place : Pune
Dated : May 4, 2004

ANNEXURE TO DIRECTORS' REPORT

Information in accordance with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988:

A. CONSERVATION OF ENERGY

The Company has always been giving due consideration for the consumption of energy. During the year under review, an energy audit has been conducted. Based on the recommendations of the audit, the Company plans to install compressed air optimisation devices. Further, soft start devices for presses have been introduced during the year. These measures are aimed at effective management and utilisation of energy resources and resultant cost saving for the Company.

B. RESEARCH AND DEVELOPMENT & TECHNOLOGY ABSORPTION

The Company has initiated automation by installing Robots and Special Purpose Machines to make manufacturing processes cost effective and robust. Measures in the form of i) installation of welding robots, ii) installation of mechanical loading and unloading hands on large presses, iii) designing of new cellular layouts for single piece flow in welding shop, iv) shut height commonisation for press tools and v) installation of hydraulic die loaders and unloaders to reduce die set up time on presses without moving bolsters, have been initiated. This will lead to considerable performance improvements.

As there is no separate R & D Department, the amount incurred on R & D is difficult to estimate.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

	Rs. in million
Earnings in foreign exchange	1.00
Expenditure in foreign currency	60.31

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy on Code of Governance

The Company's philosophy of Corporate Governance is aimed at assisting the top management of the Company in the efficient conduct of its business. Towards this objective, the Company has in place number of systems and procedures to address the statutory requirements. The governance of the Company is guided by a strong emphasis on transparency, accountability and integrity.

The Company's business objective is to manufacture its product in such a way as to create value that can be sustained over the long term for its customers, shareholders and employees. The Company is conscious of the fact that its success is a reflection of the professionalism, conduct and ethical values of its management and employees.

2. Board of Directors

Composition of the Board:

The present strength of Directors on the Board is six. It comprises the Chairman, who is a non-executive director and other five non-executive directors, of whom three are independent.

None of the Directors on the Board is a member of more than 10 committees or Chairman of more than 5 committees across all companies in which he is a Director. The necessary disclosures regarding committee positions have been made by all the Directors.

Number of Board Meetings:

During the year 2003-04, five Board Meetings were held and the gap between two meetings did not exceed four months. The dates on which the meetings were held are as follows: 6th May, 29th July, 28th October in 2003, 30th January and 18th March in 2004.

Information placed before the Board:

Agenda papers along with detailed notes are being circulated in advance of each meeting of the Board. Information required pursuant to Corporate Governance practices, as required under Annexure I to clause 49 is being made available to the Board.

Directors with materially pecuniary or business relationship with the Company:

The Company did not have any pecuniary relationship or transactions with its Non-executive and/or Independent Directors during 2003-04.

REPORT ON CORPORATE GOVERNANCE

Attendance at the Board Meetings and the last Annual General Meeting, outside Directorships and other Board Committee Memberships:

The names and category of Directors on the Board, their attendance at the Board Meetings held during the year and also at the last Annual General Meeting, the number of Directorships and Committee Memberships held by them in other companies are given hereunder:

Name of Director	Category of Directorship	No. of Board Meetings Attended	Attendance at the last AGM held on 30-06-2003	Directorship in other Companies*	No. of other Committee Memberships**	
					Chairman	Member
Mr. D.S. Gupta	Chairman Non-Executive, Not Independent	4	Present	11	5	3
Mr. Satish Pradhan	Non-Executive, Independent	3	Present	2	-	2
Mr. Atul Bansal	Non-Executive, Independent	3	Not Present	3	-	1
Mr. Rajiv Dube	Non-Executive, Independent	4	Present	4	-	2
Mr. Raman Nanda (w.e.f. 06/05/2003)	Non-Executive, Not Independent	5	Present	5	1	4
Mr. Rajiv Bakshi	Non-Executive, Not Independent	4	Present	1	-	1
Mr. Deepak Bhandari (upto 06/05/2003)	Non-Executive, Not Independent	1	Not Applicable	Not Applicable		

* This includes directorships held in private limited companies.

** This covers membership / chairmanship of Audit Committee, Remuneration Committee and Shareholder / Investor Grievance Committee.

3. Audit Committee

The Company has an Audit Committee comprising three members, two of them including the Chairman are Independent Directors. The Chairman of the committee is Mr. Satish Pradhan. Mr. Rajiv Dube and Mr. Raman Nanda are the other members of the committee. Mr. Deepak Bhandari who was initially a member resigned from the Board, consequently from the committee and in his place Mr. Raman Nanda became a member.

The Audit Committee meetings are attended by the Chief Executive Officer and the Chief Financial Officer. The representatives of Statutory Auditors and Internal Auditors are the permanent invitees to the Audit Committee meetings.

The Secretary of the Company acts as the Secretary of the Audit Committee.

The Chairman of the Audit Committee, Mr. Satish Pradhan was present at the Annual General Meeting held on 30th June, 2003.

REPORT ON CORPORATE GOVERNANCE

- **Terms of Reference:**

The Terms of Reference of this Committee cover the matters specified for Audit Committees under Clause 49 of the Listing Agreement as well as in Section 292A of the Companies Act, 1956. These include overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement is correct, sufficient and credible; reviewing annual and half yearly financial statements with management before submission to the Board; reviewing the adequacy of internal control systems with management, external and internal auditors and reviewing the Company's financial risk and management policies.

- **Meetings and the attendance during the year:**

Four Audit Committee Meetings were held during 2003-04. The dates on which the meetings were held are as follows: 5th May, 29th July, 28th October in 2003 and 30th January in 2004.

The attendance of each member of the Audit Committee is given below:

Name of Director	Category	No. of meetings attended
Mr. Satish Pradhan, Chairman	Non-Executive, Independent	4
Mr. Rajiv Dube, Member	-do-	3
Mr. Raman Nanda, Member (w.e.f.30/06/2003)	Non-Executive, Not Independent	3
Mr. Deepak Bhandari, Member (upto 06/05/2003)	-do-	-

Notes :

1. Mr. Atul Bansal, an Independent Director attended two Audit Committee Meetings as a Special Invitee.
2. The meeting convened on 28th October, 2003 was held as per the provisions of the Companies Act, 1956.
3. Mr. Raman Nanda has financial and accounting knowledge and experience.

4. Remuneration Committee

None of the Directors of the Company is in receipt of any kind of remuneration. As such, the Company is not required to have a Remuneration Committee of the Board in terms of clause 49 of the Listing Agreement.

The Company has, however, constituted Remuneration Committee to comply with the amended provisions of Schedule XIII to the Companies Act, 1956. The remuneration of "Manager" appointed under section 269 of the Companies Act, 1956 needs to be approved by the Remuneration Committee.

The Remuneration Committee comprises of 3 Members. All the three members of the committee are Non-Executive and Independent. The Chairman of the Committee is Mr. Satish Pradhan and the other members are Mr. Atul Bansal and Mr. Rajiv Dube.

The Terms of Reference of this Committee include determination of compensation payable to the Managerial Person including revision thereof, appraisal of his performance and determination of his incentive remuneration.

REPORT ON CORPORATE GOVERNANCE

One meeting of the Remuneration Committee was held during the year on 6th November, 2003 and was attended by all the members of the Committee.

Details of remuneration of the "Manager" for the year 2003-04 are given below:

Name	Salary	Provision for Incentive Remuneration	Perquisites and Allowances	Contributions to Funds	Other Retirement Benefits
Mr. A.K. Puri (upto 22.05.2003)	Rs. 77 thousand	- -	Rs. 123 thousand	Rs. 36 thousand	Rs. 60 thousand
Mr. Sanjiv Kumar (w.e.f. 01.10.2003)	Rs. 304 thousand	Rs. 607 thousand	Rs. 384 thousand	Rs. 82 thousand	-

5. Shareholders / Investors Grievance Committee

The Shareholders / Investors Grievance Committee comprises of 3 non-executive directors. The Chairman of the Committee is Mr. Raman Nanda. Mr. D. S. Gupta and Mr. Rajiv Bakshi are the other members of the committee. Mr. Deepak Bhandari who was initially a Chairman resigned from the Board, consequently from the committee and in his place Mr. Raman Nanda became a Chairman.

● Brief Terms of Reference

The functioning and terms of reference of the committee are as prescribed and in due compliance with the Listing Agreement with the Stock Exchanges and include reviewing existing Investor Redressal System, redressing of shareholder complaints like delay in transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, etc. and suggesting improvements in investor relations.

● Meetings and the attendance during the year

One meeting of the Shareholders / Investors Grievance Committee was held during the year on 24th December, 2003. The attendance of each member of the Shareholders / Investors Grievance Committee is given below:

Name of Director	Category	No. of meetings attended
Mr. Raman Nanda, Chairman (w.e.f. 30/06/2003)	Non-Executive, Not Independent	1
Mr. D.S. Gupta, Member	-do-	Nil
Mr. Rajiv Bakshi, Member	-do-	1

Mr. Shailendra Dindore, Secretary is the Compliance Officer. The total numbers of complaints received and replied to the satisfaction of the shareholders during the year under review were 13.

The Company's shares are compulsorily traded in the dematerialised form. To expedite transfers in physical form, a Committee of Executives of the Company has been authorised to look into various matters like share transfers/transmissions, issue of new certificates in split/consolidation, etc. The Committee comprises of the following executives:

Mr. Sanjiv Kumar, Chief Executive Officer;
Mr. P. G. Date, Chief Financial Officer; and
Mr. Shailendra Dindore, Secretary

Share transfers approved by the committee are placed at the Board meeting from time to time. The Company attends to the investor correspondence promptly. There are no pending share transfers as on 31st March, 2004.

REPORT ON CORPORATE GOVERNANCE

6. General Body Meetings

Details of the location of the last three Annual General Meetings (AGM), including the Extraordinary General Meeting (EGM), and the details of the resolutions passed or to be passed by Postal Ballot

AGM for the financial year ended	Date & Time of AGM	Venue
2003	30th June, 2003 at 3.00 p.m.	"Nehru Memorial Hall" Atur Foundation House, 4, Dr. Ambedkar Road, Pune 411 001
2002	15 th July, 2002 at 2.00 p.m.	Quality Circle Excellence Centre, J/P-10, MIDC, Telco Road, Bhosari, Pune 411 026.
2001	19 th September, 2001 at 2.00 p.m.	Quality Circle Excellence Centre, J/P-10, MIDC, Telco Road, Bhosari, Pune 411 026.

The Shareholders passed all the resolutions set out in the respective Notices. No Postal ballots were used for voting at these meetings. At the forthcoming AGM, there is no item on the agenda that needs approval by postal ballot.

7. Disclosure

- During the year 2003 – 04, the Company has related party transactions as is envisaged under the Corporate Governance Code which have been mentioned in Note 10 under Schedule 16 of the Accounts.
- There has not been any non compliance, penalties or strictures imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority, on any matter related to capital markets, during the last year.

8. Means of Communication

Half yearly report to shareholders, Quarterly Results, Newspaper in which published, Website etc.

- The Quarterly, Half Yearly and Annual Results are published in Indian Express and Loksatta as required under the Listing Agreement with the Stock Exchanges.
- The financial results are also put on the Company's website www.autostampings.com and National Informatics Centre's (NIC) website www.sebiedifar.nic.in.
- Half-yearly results for the half-year ended 30th September, 2003 were mailed to the shareholders in November, 2003.
- Management Discussion and Analysis Report has been covered in the Directors' Report.

REPORT ON CORPORATE GOVERNANCE

9. General Shareholder Information

- AGM : Date, Time and Venue 23rd June, 2004 at 3:00 p.m. at "Nehru Memorial Hall", Atur Foundation House, 4, Dr. Ambedkar Road, Pune 411 001.
- Profile of Directors being appointed and re-appointed

The additional information required under Clause 49 (VI) (A) of the listing agreement in respect of Directors eligible for re-appointment is as under:

Mr. Atul Bansal

The Board of Directors appointed Mr. Atul Bansal as a Director of the Company w.e.f. 8th May, 2002. He was appointed as a Director liable to retire by rotation by the shareholders at the Annual General Meeting held on 15th July, 2002.

Mr. Bansal is 45 years of age and is a Senior Vice President – Finance of Tata International Limited. He is a Certified Financial Analyst (CFA), a Chartered Accountant and holds an MBA from the Wharton Business School, University of Pennsylvania. He has more than 17 years of experience in the field of Finance. He is also a Director of other Tata Companies. His Directorships and Committee Memberships of other companies, as on date, are as follows:

Company	Position	Committee Memberships
Tata Consultancy Services Limited	Director	Audit Committee Member
Tata Precision Industries (I) Limited	Director	-
Drive India .Com Limited	Director	-

Mr. Rajiv Dube

The Board of Directors appointed Mr. Rajiv Dube as a Director of the Company w.e.f. 30th January, 1998. He was appointed as a Director liable to retire by rotation by the shareholders at the Annual General Meeting held on 28th August, 1998.

Mr. Dube is 42 years of age and is Vice President (Commercial) of Tata Motors Limited. He holds a Bachelor's Degree in Mechanical Engineering along with a postgraduate Diploma in Management. He has close to 21 years of experience in the field of manufacturing and general management. He is also a Director of other Tata companies. His Directorships and Committee Memberships of other companies, as on date, are as follows:

Company	Position	Committee Memberships
Concorde Motors Limited	Director	Audit Committee Member Remuneration Committee Member
Telco Dadajee Dhackjee Limited	Director	-
Minicar (India) Limited	Director	-
Tata Ficosa Automotive Systems Limited	Director	-

REPORT ON CORPORATE GOVERNANCE

- Financial calendar
 - i) April to March
 - ii) First Quarter Results – last week of July
 - iii) Half yearly Results – last week of October
 - iv) Third Quarter Results – last week of January
 - v) Results for the year ending 31st March, 2005 - Last week of April 2005
- Date of Book Closure 16th June 2004 to 23rd June 2004 (Both days inclusive)
- Listing on Stock Exchanges

Pune Stock Exchange Limited
The Stock Exchange, Mumbai
National Stock Exchange of India Limited
The Delhi Stock Exchange Association Ltd.

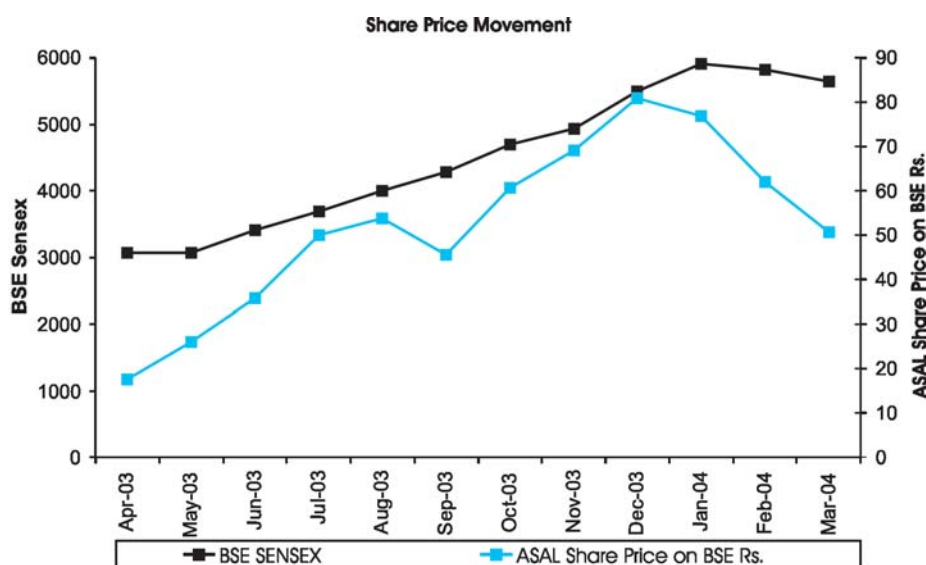
The Company has paid listing fees for the period 1st April 2004 to 31st March, 2005.
- Stock Code - Physical

ASAL on The National Stock Exchange
520119 on The Stock Exchange, Mumbai
JBMTL 160285 on Pune Stock Exchange

Demat ISIN Number for NSDL & CDSL - INE900C01027
- High/Low of market price of the Company's shares traded on The Stock Exchange, Mumbai during the year 2003 – 04 is furnished below:

Period	High (Rupees)	Low (Rupees)	Period	High (Rupees)	Low (Rupees)
April 2003	18.75	16.50	October 2003	76.00	45.50
May 2003	34.70	17.30	November 2003	73.35	65.00
June 2003	40.00	31.45	December 2003	87.20	74.45
July 2003	63.50	36.50	January 2004	82.10	71.50
August 2003	60.10	47.40	February 2004	71.25	52.70
September 2003	50.75	40.45	March 2004	62.95	38.35

- Stock Performance of the Company in comparison to BSE Sensex



REPORT ON CORPORATE GOVERNANCE

- Registrar and Transfer Agents**

The Company has appointed M/s MCS Limited as the Registrar and Transfer Agents having their office at:

First Floor, 116-118, Akshay Complex,
Off Dhole Patil Road, Near Ganesh Mandir,
Pune 411 001
Tel. No. (020) 26129597 / 4017205
Fax No. (020) 26129597
Email ID: mcspune@vsnl.net
- Share Transfer System**

All the transfers received are processed by the Registrar and Transfer Agent and are approved by the Committee of Executives of the Company constituted in this behalf. The Committee attends to share transfer formalities once in a fortnight. Share transfers are registered and returned within maximum of 25 – 30 days from the date of lodgement, if documents are complete in all respects.
- Distribution of Shareholding and shareholding pattern as on 31.03.2004.**

The distribution of shareholding as on 31.03.2004 is as follows:

Number of Shareholders	% to Total	Share Holding of Nominal Value of Rs.	No. of Shares	Amount in Rs.	% to Total
2123	80.08	Upto 5,000	350079	3500790	3.43
236	8.90	5,001 to 10,000	194600	1946000	1.91
154	5.81	10,001 to 20,000	240789	2407890	2.36
59	2.23	20,001 to 30,000	147690	1476900	1.45
20	0.76	30,001 to 40,000	70534	705340	0.69
21	0.79	40,001 to 50,000	99693	996930	0.97
18	0.68	50,001 to 1,00,000	130069	1300690	1.28
20	0.75	1,00,001 & above	8965087	89650870	87.91
2651	100.00	Total	10198541	101985410	100.00

Shareholding pattern as on 31.03.2004

Category	No. of Shares	Percentage of shareholding
Promoters	8296280	81.35
Mutual Funds	105082	1.03
Banks, Financial Institutions, Insurance Companies, Central/State Govt. Institutions, etc.	126425	1.24
Foreign Institutional Investors	120	-
Private Corporate Bodies	354211	3.47
Indian Public	1302058	12.77
Non Resident Indians	14365	0.14
GRAND TOTAL	10198541	100.00

REPORT ON CORPORATE GOVERNANCE

- Dematerialisation of shares and liquidity 98.62% equity shares of the Company have been dematerialised as on 31st March, 2004.
- Plant Locations The Company's plants are located at Pune (Bhosari and Chakan) in Maharashtra and Halol at Vadodara in Gujarat.
- Address for correspondence Shareholders correspondence should be addressed to our Registrars and Share Transfer Agents at the address mentioned above.

Shareholders may also contact Secretary of the Company at the Registered Office of the Company for any assistance.

Tel. : (020) 2712 1677 / 2711 0870 / 27121500
Fax : (020) 27123147
Email ID: corporate@autostampings.com

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participant.

10. Auditors' Certificate on Corporate Governance

As required under clause 49 of the Listing Agreement, the Auditors' Certificate on compliance of the Corporate Governance norms is attached.

11. Insider Trading Regulations

In terms of the SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has adopted the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices for its Directors, Officers and Specified Employees. The Chief Financial Officer of the Company, Mr. P.G. Date is the Compliance Officer for these regulations. The Company also has an Ethics and Compliance Committee primarily to set forth the policies relating to and overseeing the implementation of the code. Mr. Atul Bansal and Mr. Rajiv Bakshi are the members of the said Committee.

REPORT ON CORPORATE GOVERNANCE

AUDITORS' CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENTS

To the Members of Automotive Stampings and Assemblies Limited

1. We have reviewed the implementation of corporate governance procedures by AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED during the year ended on 31st March 2004, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. 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 the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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.

3. On the basis of our review and according to the information and explanations given to us, subject to our observations in the immediately succeeding paragraphs, the conditions of Corporate Governance as stipulated in the Clause 49 of the Listing Agreement with the stock exchanges have been complied with in all material respects by the Company.
4. We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Shareholders / Investors Grievance Committee.

Place : Mumbai
Date : May 04, 2004

P.N. Ghatalia
Partner
Membership No. F 9554
For and on behalf of
Price Waterhouse
Chartered Accountants

AUDITORS' REPORT

To the Members of Automotive Stampings and Assemblies Limited

1. We have audited the attached Balance Sheet of Automotive Stampings and Assemblies Limited as at March 31, 2004, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, 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 purposes 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, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2004 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2004 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give in the prescribed manner the information required by the Act 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 March 31, 2004;
 - (ii) in the case of the Profit and Loss Account, of the profit 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.

P.N. Ghatalia

Partner

Membership No. F 9554

For and on behalf of

Price Waterhouse

Chartered Accountants

Place : Mumbai

Date : May 04, 2004

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 3 of the Auditors' Report of even date to the members of Automotive Stampings and Assemblies Limited on the accounts for the year ended March 31, 2004]

- (i) (a) The Company is maintaining proper records to show full particulars, including quantitative details and situation of its fixed assets.
(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion, and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed off by the Company during the year.
- (ii) (a) The inventory has been physically verified by the Management during the year. In our opinion the frequency of verification is reasonable. In respect of inventory lying with third parties, these have been confirmed by them.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records, were not material.
- (iii) The Company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties covered in the Register maintained under Section 301 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination and information and according to the explanations given to us, we have neither come across nor have we been informed of any instance of major weaknesses in the aforesaid internal control procedures.
- (v) In our opinion and according to the information and explanations given to us, there are no transactions made in pursuance of contracts or arrangements entered into the register in pursuance of Section 301 of the Act and exceeding the value of Rupees Five Lacs in respect of any party during the year.
- (vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed thereunder.
- (vii) In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- (viii) 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 sub - section (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. We have not, however, made a detailed examination of the records with a view to determining whether they are accurate or complete.
- (ix) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including

AUDITORS' REPORT

provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, customs duty, excise duty, cess and other material statutory dues as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us the particulars of dues of excise duty and land revenue as at 31st March, 2004, which have not been deposited on account of a dispute are as follows :-

Name of the statute	Nature of the dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Penalty	438,572*	1998 to 2000	Customs, Excise and Service tax appellate tribunal
	Penalty	15,000	1998 to 2001	Commissioner (Appeals)
Maharashtra Land revenue Code, 1966	Non-agricultural land tax	31,941	2003-04	Talathi office, Pune

*Stay Application for dispensing with pre-deposition of penalty has been granted by the Appellate Authorities.

- (x) The Company has no accumulated losses as at 31st March, 2004, and it has not incurred any cash losses during the financial year ended on that date or in the immediately preceding financial year.
- (xi) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or to debenture holders as at the balance sheet date.
- (xii) In our opinion and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purpose for which they were obtained.
- (xiii) On the basis of an overall examination of the balance sheet of the Company, in our opinion, and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment, and vice versa.
- (xiv) The Company has not raised any money by public issue during the year.
- (xv) During the course of our examination of the books and records of the Company, 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.
- (xvi) The other clauses of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

P.N. Ghatalia

Partner

Membership No. F 9554

For and on behalf of

Price Waterhouse

Chartered Accountants

Place: Mumbai
Date: May 04, 2004

BALANCE SHEET**BALANCE SHEET AS AT MARCH 31, 2004****(Rs. in '000)**

	Schedule No.	As at March 31, 2004	As at March 31, 2003
SOURCES OF FUNDS			
Shareholders' funds			
Share Capital	1		
Equity Share Capital		101,985	101,985
Preference Share Capital		120,000	120,000
Reserves and Surplus	2	215,871	194,859
		437,856	416,844
Loan Funds			
Secured Loans	3	79,521	202,264
Unsecured Loans	4	85,350	60,578
		164,871	262,842
Deferred Tax Liability (Net) (Refer Schedule 16, Note 12)		32,915	-
Total		635,642	679,686
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		850,412	824,612
Less: Depreciation		358,006	283,590
Net Block		492,406	541,022
Capital work-in-progress		44,260	10,658
		536,666	551,680
Deferred Tax Asset (Net) (Refer Schedule 16, Note 12)		-	15,385
Current Assets, Loans and Advances			
Inventories	6	209,610	153,478
Sundry Debtors	7	118,570	148,790
Cash and Bank Balances	8	5,700	23,947
Loans and Advances	9	24,617	40,772
		358,497	366,987
Less: Current Liabilities and Provisions	10		
Current Liabilities		225,350	274,454
Provisions		34,171	7,585
		259,521	282,039
Net Current Assets		98,976	84,948
Profit and Loss Account		-	27,673
Total		635,642	679,686
Significant Accounting Policies	15		
Notes to Accounts	16		

Schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board

P.N. Ghatalia

Partner

Membership No. F 9554

For and on behalf of

PRICE WATERHOUSE

Chartered Accountants

Shailendra Dindore

Secretary

D. S. Gupta

Chairman

Raman Nanda**Rajiv Bakshi**

Directors

Place : Mumbai

Date : May 4, 2004

Place : Pune

Date : May 4, 2004

PROFIT AND LOSS ACCOUNT

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2004

(Rs. in '000)

	Schedule No.	For the year ended March 31, 2004	For the year ended March 31, 2003
INCOME			
Sales (Gross)	11	2,061,302	1,489,305
Less : Excise Duty		297,283	212,244
Sales (Net)		1,764,019	1,277,061
Other Income	12	40,638	204,623
		1,804,657	1,481,684
EXPENDITURE			
Manufacturing and Other Expenses	13	1,578,581	1,187,965
Profit before Interest, Depreciation and Taxation		226,076	293,719
Less :			
Interest and Finance Charges	14	19,701	43,166
Depreciation	5	74,667	69,118
		94,368	112,284
Profit Before Taxation		131,708	181,435
Provision for taxation			
Current Tax (including wealth tax)		10,200	9,638
Deferred Tax		48,300	50,212
Profit After Taxation		73,208	121,585
Balance brought forward from previous year		(27,673)	(149,258)
Balance available for appropriation		45,535	(27,673)
APPROPRIATIONS			
General Reserve		4,000	-
Proposed Dividend on Preference Shares			
For the current year		14,400	-
Arrears of previous year		7,338	-
Tax on Dividend		2,785	-
Balance carried forward to the Balance Sheet		17,012	(27,673)
		45,535	(27,673)
Basic/Diluted Earnings per share (Refer Schedule 16, Note 11)		5.59	11.11
Significant Accounting Policies	15		
Notes to Accounts	16		

Schedules referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of the Board

P.N. Ghatalia

Partner

Membership No. F 9554

For and on behalf of

PRICE WATERHOUSE

Chartered Accountants

Shailendra Dindore

Secretary

D. S. Gupta

Chairman

Raman Nanda

Rajiv Bakshi

Directors

Place : Mumbai

Date : May 4, 2004

Place : Pune

Date : May 4, 2004

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004

(Rs. in '000)

	As at March 31, 2004	As at March 31, 2003
1 SHARE CAPITAL		
Authorised :		
10,800,000 Equity Shares of Rs. 10 each	108,000	108,000
16,000,000 Preference Shares of Rs. 10 each	160,000	160,000
	268,000	268,000
Issued, Subscribed and Paid-up :		
10,198,541 Equity Shares of Rs. 10 each fully paid-up (Refer Note 1 below)	101,985	101,985
12,000,000 12% Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up (Refer Note 2 below) (Redeemable at the expiry of 5 years from the date of allotment [i.e. 27th September 2002], with an option to the Company to redeem before maturity)	120,000	120,000
	221,985	221,985
Notes :		
1 Consequent to transfer of shareholding amongst the promoters, Tata AutoComp Systems Limited has become holding company with effect from 26th March, 2004. The holding Company (previously holding 3,318,401 shares) holds 8,296,180 shares with effect from that date.		
2 All the Preference shares are held by the holding Company.		
2 RESERVES AND SURPLUS		
Share Premium		
As per last Balance Sheet	194,859	194,859
General Reserve		
Additions during the year	4,000	-
Profit and Loss Account	17,012	-
	215,871	194,859
3 SECURED LOANS		
A. From Banks		
Term loan	-	182,780
(Payable within one year Rs. Nil <i>Previous year Rs. 50,000 thousand</i>)		
Working Capital Loans (Refer Note below)	79,521	19,406
B. From Others		
Other Loans	-	78
(Payable within one year Rs. Nil <i>Previous year Rs. 78 thousand</i>)		
	79,521	202,264
Note : Working Capital Loans are secured by hypothecation of stocks of all types and book debts and second charge on the Fixed Assets of Chakan Plant of the Company.		
4 UNSECURED LOANS		
Interest Free Sales Tax Loan	85,350	60,578
	85,350	60,578

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004 ..(Contd)									
5. FIXED ASSETS (Refer Schedule 15, Note 2)									
PARTICULARS	Gross Block (at cost)				Depreciation			Net Block	
	As at 01.04.2003	Additions during the year	Deletions during the year	As at 31.03.2004	As at 01.04.2003	Depreciation for the year	On deletions during the year	As at 31.03.2004	As at 31.03.2003
Land - Freehold	3,046	-	-	3,046	-	-	-	3,046	3,046
Land - Lease Hold	8,201	-	-	8,201	864	108	-	7,229	7,337
Factory Building	159,431	3,703	-	163,134	26,109	6,370	-	130,655	133,322
Office Building	6,813	-	-	6,813	385	111	-	6,317	6,428
Plant & Machinery	612,980	18,086	2	631,064	245,286	64,222	2	321,558	367,694
Tools, Jigs & Fixtures	9,457	849	-	10,306	2,977	1,004	-	6,325	6,480
Furniture & Fixtures and Office equipment	20,705	894	273	21,326	7,261	2,306	113	11,872	13,444
Vehicles	3,979	2,808	265	6,522	708	546	136	5,404	3,271
	824,612	26,340	540	850,412	283,590	74,667	251	492,406	541,022
Capital Work in Progress								44,260	10,658
Total								536,666	551,680
Previous Period	798,741	26,559	688	824,612	214,679	69,118	207	283,590	541,022

Note : Capital Work in Progress Includes Advances on Capital Account Rs. 27,678 thousand (Previous year Rs. 3,079 thousand).

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004 ... (Contd.)

(Rs. in '000)

	As at March 31, 2004	As at March 31, 2003
6 INVENTORIES		
(Refer Schedule 15, Note 4)		
Stores and Spares	4,828	4,478
Raw Material and Components	122,198	105,786
Work-in-Process	60,535	38,118
Finished Goods	1,382	723
Scrap	20,667	4,373
	209,610	153,478
7 SUNDRY DEBTORS		
Unsecured		
Over six months :		
Considered good	4,094	14,496
Considered doubtful	5,515	3,947
Others :		
Considered good	114,476	134,294
Considered doubtful	1,602	-
	125,687	152,737
Less : Provision for doubtful debts	7,117	3,947
	118,570	148,790
8 CASH AND BANK BALANCES		
Cash on Hand	83	92
Balances with Scheduled Banks :		
On Current Accounts	4,468	66
On Dividend Accounts	65	379
On Deposit Accounts*	1,084	23,410
	5,700	23,947
*Includes Deposit of Rs. 1,084 thousand (Previous year Rs. 910 thousand) under Bank's lien.		
9 LOANS AND ADVANCES		
(Unsecured - considered good)		
Advances recoverable in cash or in kind or for value to be received (Refer Schedule 16, Note 6)	20,152	36,035
Bills of Exchange	1,903	-
Balance with Excise Authorities	2,562	4,737
	24,617	40,772

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004 ... (Contd.)

(Rs. in '000)

10 CURRENT LIABILITIES AND PROVISIONS

CURRENT LIABILITIES

Sundry Creditors

Due to Small Scale Industrial Undertakings
(Refer Schedule 16, Note 4)

Due to creditors other than Small Scale Industrial
Undertakings

Advances from customers

Unclaimed Dividend*

Other Liabilities

Interest accrued but not due

* There are no amounts due and outstanding to be
credited to Investor Education and Protection Fund.

PROVISIONS

Provision for Gratuity

Provision for Leave encashment

Proposed Dividend on Preference Shares

Provision for Tax on Preference Dividend

Provision for taxation (Net of Advance tax and
Tax deducted at source)

As at March 31, 2004	As at March 31, 2003
15,922	15,100
147,034	189,578
1,577	492
65	379
60,731	68,905
21	-
225,350	274,454
6,539	4,260
2,180	888
21,738	-
2,785	-
929	2,437
34,171	7,585
259,521	282,039

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004 ... (Contd.)

(Rs. in '000)

	For the year ended March 31, 2004	For the year ended March 31, 2003
11 SALES		
Turnover of goods and job work (Refer Schedule 15, Note 5)	1,797,021	1,314,969
Sale of scrap	264,281	174,336
	2,061,302	1,489,305
12 OTHER INCOME		
Interest received on Bank Deposits and Other Deposits (Tax Deducted at source Rs. 100 thousand [Previous year Rs. 30 thousand])	539	509
Gain on remission of liability (Refer Schedule 16, Note 5)	35,045	85,373
Profit on sale of investments, non-trade	889	97,250
Cash Discount	3,637	-
Gain on Exchange Fluctuations (Net)	441	-
Miscellaneous Receipts	87	6,411
Dividend received on Investments, non-trade	-	13,078
Provision for Doubtful Debts written back	-	2,002
	40,638	204,623
13 MANUFACTURING AND OTHER EXPENSES		
(i) Raw Material Consumed	1,241,056	885,655
(ii) Decrease / (Increase) in Stocks		
Opening Stock		
Work in process	38,118	27,706
Finished goods	723	693
Scrap	4,373	5,873
	43,214	34,272
Less : Closing Stock		
Work in process	60,535	38,118
Finished goods	1,382	723
Scrap	20,667	4,373
	82,584	43,214
Decrease / (Increase) in Stocks	(39,370)	(8,942)
(iii) Consumables and Stores	30,879	22,622
(iv) Processing charges	71,099	60,448
(v) Power and Fuel	35,409	30,172
(vi) Repairs and Maintenance		
- Plant and Machinery	18,507	11,008
- Building	1,987	3,588
- Others	5,719	5,824
	26,213	20,420
(vii) Payments to and provisions for Employees		
Salaries and Wages	97,932	80,744
Contribution to Employees State Insurance Scheme and Provident Fund	6,465	5,750
Staff Welfare	6,040	5,139
Carried forward	1,475,723	1,102,008

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004 ... (Contd.) (Rs. in '000)

	For the year ended March 31, 2004	For the year ended March 31, 2003
13 MANUFACTURING AND OTHER EXPENSES (Contd.)		
Brought forward	1,475,723	1,102,008
(viii) Expenses for Administration and Selling		
Travelling and Conveyance	6,581	4,797
Communication Expenses	2,573	2,598
Rent (including Land Lease Rent)	20	72
Rates and Taxes	1,784	4,559
Insurance	2,165	2,542
Auditors' Remuneration		
- Audit fee	550	400
- Tax Audit fee	130	90
- Others	315	210
- Out of pocket expenses	7	9
	1,002	709
Administrative Service Charges	45,991	33,805
Loss on Exchange Fluctuations (net)	-	391
Advertisement and Publicity	377	253
Provision for Doubtful Debts	3170	-
Bad debts written off	-	3,636
Loss on sale/write off of Assets (net)	240	359
Packing Material	4,479	1,884
Warranty Expenses	268	282
Freight Outward	25,556	22,395
Miscellaneous Expenses	8,652	7,675
	1,578,581	1,187,965
14 INTEREST AND FINANCE CHARGES		
Interest		
- On term loans	14,004	14,955
- Others	2,845	26,582
Bank charges	2,852	1,629
	19,701	43,166

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

15 SIGNIFICANT ACCOUNTING POLICIES**1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements are prepared under the historical cost convention on accrual basis in accordance with the generally accepted accounting principles and Accounting Standards referred to in Section 211 (3C) of the Companies Act, 1956, of India.

2. FIXED ASSETS AND DEPRECIATION

Fixed assets are stated at cost of acquisition or construction (net of Cenvat Credits and Sales tax Set-off), less accumulated depreciation. All costs relating to the acquisition and installation of fixed assets are capitalised and include borrowing costs directly attributable to construction or acquisition of fixed assets, upto the date the asset is put to use.

Depreciation on fixed assets for the year has been provided as under :

- (a) Depreciation on fixed assets is provided on straight line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956, of India except in case of certain assets, depreciation has been provided at higher rates based on useful life as determined by the management.
- (b) Leasehold land is amortised over the period of lease.
- (c) Except for items for which 100% depreciation rates are applicable, depreciation on assets added / disposed off during the year has been provided on pro-rata basis with reference to the month of addition / disposal.
- (d) Depreciation on incremental cost arising on account of translation of foreign currency liabilities for acquisition of fixed assets has been provided as aforesaid over the residual life of the respective assets.

3. INVESTMENTS

Long-term investments are stated at cost of acquisition and provision for diminution in value is made only if such decline is other than temporary in the opinion of management. Current Investments are stated at Cost or Market value whichever is lower.

4. INVENTORIES

- (a) Raw materials, components, stores and spares are valued at cost or net realizable value, whichever is lower. Cost is determined using the weighted average basis.
- (b) Finished goods and work-in-process are valued at cost or net realisable value whichever is lower. Finished goods and work-in-process includes cost of conversion incurred in bringing the inventories to its present location and condition.
- (c) Scrap is valued at net realisable value.

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004 ... (Contd.)

15 SIGNIFICANT ACCOUNTING POLICIES

5. REVENUE RECOGNITION

- (a) Sales are recognised on supply of goods to customers and are recorded gross of excise duty and net of sales tax and discounts.
- (b) Dividend income from investments is recognized when the right to receive the payments is established.

6. FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Foreign currency Assets and Liabilities are stated at the exchange rates prevailing at the date of the Balance Sheet and at forward contract rates wherever so covered. Exchange differences relating to liabilities incurred towards purchase of Fixed Assets are adjusted to the cost of Fixed Assets. Any other exchange difference is dealt with, in the Profit and Loss Account.

7. BORROWING COSTS

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets upto the date the asset is put to use. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. All other borrowing costs are charged to Profit and Loss Account in the year in which they are incurred.

8. RETIREMENT BENEFITS

- (a) Liability for gratuity and leave encashment is provided on the basis of actuarial valuation done at the end of the year.
- (b) Contribution to Provident Funds is accounted for on accrual basis.

9. TAXATION

- (i) Provision for current tax is made in accordance with and at the rates specified under the Income-tax Act, 1961, as amended.
- (ii) In accordance with Accounting Standard 22 – 'Accounting for taxes on Income', issued by the Institute of Chartered Accountants of India, the deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date.

Deferred tax assets arising from the timing differences are recognised to the extent there is virtual certainty that the assets can be realised in future.

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

16 NOTES TO ACCOUNTS

- The name of the Company has been changed from "JBM Tools Limited" to "Automotive Stampings and Assemblies Limited" with effect from 1st August 2003.

- Contingent liabilities:

(Rs. in '000)

Sr.No.	Particulars	As at 31.03.2004	As at 31.03.2003
1.	Bills discounted	399,052	20,341
2.	Arrears of cumulative preference dividend	-	7,338
3.	Claims against the Company not acknowledged as Debts	454	-

- Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) Rs. 66,197 thousand (*Previous year Rs. 12,822 thousand*).
- Information regarding Small Scale Industrial Undertakings has been determined to the extent such parties have been identified on the basis of the information available with the Company. This has been relied upon by the auditors.

The names of Small Scale Industrial Undertakings to whom the Company owes a sum, which is outstanding for more than 30 days as at March 31, 2004, are:

A.V.S. Enterprises
Eagle Engineering Corporation
Electro – Transf
Fine – Tech Engineers
Mak Glit Chem
Poona Leather Works
Pugalia Engineers Pvt. Limited
Sricharan Enterprises
R. P. Engineering
S. V. Industries
Vikas Industries
Vinman Engineering Pvt. Ltd
Fine Auto Products
Hy Tech Vehicle Fittings Pvt. Limited
Ishwar Press Components
Raj Enterprises
Sharp Engineers

Agarwal Ispat Udyog
Bhushan Engineers
Crown Leather Works
Elite Industries
Harshal Pressing Pvt. Limited
High Tensile Fastnuts Pvt. Limited
Industrial Products Company
Jagdish Enterprises
M/s SK Gandhi
Prashant Engineering
Rahul Auto Stampings Pvt. Limited
S.V. Industries
Sai Industries
Om Packing Wood Industries
Pioneer Industries
Sach Enterprises

- The Company has availed the scheme for Premature Repayment of Sales Tax Deferral Loan framed by the Government of Maharashtra and has prepaid part of the deferral loan at the prescribed net present value. This has resulted in a gain of Rs. 35,045 thousand (*Previous year Rs. 85,373 thousand*).

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

16 NOTES TO ACCOUNTS

6. The maximum amount due from the Officers at any time during the year is Rs. 60 thousand
(Previous year Rs. Nil).
7. Manager's Remuneration :

	Year ended March 31, 2004	Year ended March 31, 2003
Salary	381	495
Perquisites and allowances	507	710
Contribution to provident and other funds	118	134
Provision for incentive remuneration	607	990
Other retirement benefits	60	-
Total:	1,673	2,329

(Rs. in '000)

Note:

- (i) Current year's figures include remuneration of Rs. 296 thousand of former Manager.
- (ii) Manager's appointment and his remuneration aggregating to Rs.1,377 thousand with effect from 1st October 2003, is subject to shareholders' approval in the ensuing Annual General Meeting. This remuneration does not include gratuity and leave pay provided on the basis of actuarial valuation in the accounts.

8. Details of Investments Purchased and Sold during the year (face value per unit Rs.10):

Investment	Units purchased and sold
Grindlays Floating Rate Fund (Growth)	60,350,271

9. Segmental Reporting:

- a) Primary Segment:

The Company operates only in one business segment viz., "Automobile Industry".

- b) Secondary Segment:

The Company caters primarily to the needs of Indian market and accordingly there are no reportable geographical segments.

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

16 NOTES TO ACCOUNTS

10. Related Party Disclosures :

The following transactions were carried out with the related parties in the ordinary course of business.

Name of the related parties with whom the transactions have been made	Description of relationship with party	Nature of Transaction	Transactions during the year		Amount outstanding as on	
			2003-04	2002-03	31st March 2004	31st March 2003
Tata AutoComp Systems Limited	Holding Company (Refer Note below)	Services received	45,991	34,116	23,713	32,030
		Interest expenses on inter-corporate deposits taken	-	21,637	-	-
		Reimbursement of Expenses	4,788	2,725	297	288
		Inter corporate deposits refunded	-	285,000	-	-
		Inter corporate deposits taken	-	40,000	-	-
		Allotment of Preference shares	-	120,000	-	-
		Sale of Investment	-	161,975	-	-
Tata Toyo Radiator Limited	Fellow Subsidiary (from 26th March 2004)	Sale of goods	405	-	3,255	-
Manager : Mr. A.K. Puri (upto 22nd May 2003) Mr. Sanjiv Kumar (from 1st October 2003)	Key Management Personnel	Remuneration	Refer Schedule 16, Note 7		-	-

Note : Consequent to transfer of shareholding amongst the promoters, Tata AutoComp Systems Limited, which was a Controlling Enterprise earlier, has become the holding Company with effect from 26th March 2004. As such, Tata Industries Limited has ceased to be a Controlling Enterprise of the Company with effect from that date.

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

16 NOTES TO ACCOUNTS

11. Earnings Per Share (EPS)

Particulars	Year ended March 31, 2004	Year ended March 31, 2003
a) Profit / (Loss) after taxation as per Profit and Loss Account (Rs. in '000)	73,208	121,585
Less : Preference Dividend for the period including tax thereon (Rs. in '000)	16,245	8,278
Net Profit after tax available to Equity Shareholders (Rs. in '000)	56,963	113,307
b) Weighted average number of Equity Shares outstanding during the year	10,198,541	10,198,541
c) Nominal value of Equity shares (Rs.)	10	10
d) Basic Earnings per Share (Rs.) (a/b)	5.59	11.11

12. The Company estimates the deferred tax charge/(credit) using the applicable rate of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. Details of deferred Tax Assets/(Liabilities) are as follows:

(Rs. in '000)

Particulars	As at March 31, 2004	As at March 31, 2003
Assets		
Retirement benefits	3,056	1,914
Receivables	2,553	1,450
Unabsorbed Depreciation	46,043	103,782
Others	435	1,143
	52,087	108,289
Liability		
Depreciation	85,002	92,904
	85,002	92,904
Net Deferred Tax Assets / (Liabilities)	(32,915)	15,385

Deferred tax assets are recognized for tax loss carried forward to the extent that the realization of the related tax benefit through the future taxable profits is probable, based on management estimates.

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

16 NOTES TO ACCOUNTS

13. Additional information pursuant to the provisions of para 3 and 4 of Part II of Schedule VI of the Companies Act, 1956 is as under:

A. INSTALLED CAPACITY AND PRODUCTION:*

Product	Installed Capacity @	Production (Nos.)	Stock of goods produced			
			Opening Stock		Closing Stock	
			Qty.	Value (Rs. in '000)	Qty.	Value (Rs. in '000)
Components, Assemblies, and Sub-assemblies	42,000 MT	9,595,402	11,909	723	47,420	1,382
Previous year	(42,000 MT)	(7,648,032)	(13,283)	(693)	(11,909)	(723)
Tools, Dies and Moulds	N.A.	109	-	-	-	-
Previous year	(N.A.)	(58)	(-)	(-)	(-)	(-)

* As certified by the Management and accepted by the auditors, this being a technical matter.

@ Information on Licensed capacity has not been given since Licensing has been abolished.

B. SALES

Product	For the year ended March 31, 2004		For the year ended March 31, 2003	
	Qty.	Value (Rs. in '000)	Qty.	Value (Rs. in '000)
Components, Assemblies, and Sub-assemblies	9,559,891	1,744,628	7,649,406	1,297,060
Job work	-	13,529	-	8,442
Tools, Dies and Moulds	109	38,864	58	9,467
Others	-	264,281	-	174,336
Total	9,560,000	2,061,302	7,649,464	1,489,305

C. CONSUMPTION OF RAW MATERIALS

Particulars	For the year ended March 31, 2004		For the year ended March 31, 2003	
	Qty.	Value (Rs. in '000)	Qty.	Value (Rs. in '000)
1 Component (Nos.)	37,397,706	202,345	23,238,141	155,695
2 Metal Sheet (MT)	37,308	992,626	27,343	719,158
3 Others	-	46,085	-	10,802
Total	37,435,014	1,241,056	23,265,484	885,655

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004 ... (Contd.)

16 NOTES TO ACCOUNTS

D. CIF VALUE OF IMPORTS

(Rs. in '000)

Particulars	For the year ended March 31, 2004	For the year ended March 31, 2003
Raw Material	46,556	64,121
Capital Goods	12,891	-
Total	59,447	64,121

E. VALUE OF IMPORTED AND INDIGENOUS RAW MATERIAL, COMPONENTS AND SPARES CONSUMED

Particulars	For the year ended March 31, 2004		For the year ended March 31, 2003	
	Value (Rs. in '000)	%	Value (Rs. in '000)	%
a) Raw Material & Components				
i) Imported	40,077	3.23	49,732	5.61
ii) Indigenous	1,200,979	96.77	835,923	94.39
	1,241,056	100.00	885,655	100.00
b) Consumables & Stores				
i) Imported	-	-	-	-
ii) Indigenous	30,879	100.00	22,622	100.00
	30,879	100.00	22,622	100.00

F. EXPENDITURE INCURRED IN FOREIGN CURRENCY

(Rs. in '000)

Particulars	For the year ended March 31, 2004	For the year ended March 31, 2003
Travelling	731	597
Interest	136	3,010
Total	867	3,607

G. EARNINGS IN FOREIGN CURRENCY

(Rs. in '000)

Particulars	For the year ended March 31, 2004	For the year ended March 31, 2003
F.O.B. value of Export of Goods	1,005	-

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

16 NOTES TO ACCOUNTS

14. Cash Flow Statement:

(Rs. in '000)

	For the year ended March 31, 2004		For the year ended March 31, 2003	
A. CASH FLOW FROM OPERATING ACTIVITIES :				
Net profit before taxation		131,708		181,435
Adjusted for :				
Depreciation	74,667		69,118	
Interest and financial charges	19,701		43,166	
Interest Income	(539)		(509)	
Dividend on long term investment -other than trade	-		(13,078)	
Profit on sale of investments	(889)		(97,250)	
Loss on sale / write off of assets	240	93,180	359	1,806
Operating Profit before Working Capital Changes		224,888		183,241
Adjustment for :				
Trade and other receivables	46,375		100,366	
Inventories	(56,132)		(29,654)	
Trade payables and other liabilities	(22,539)	(32,296)	(78,624)	(7,912)
Cash Generated From Operations		192,592		175,329
Direct taxes paid		(10,200)		(9,638)
NET CASH FROM OPERATING ACTIVITIES (A)		182,392		165,691
B. CASH FLOW FROM INVESTING ACTIVITIES:				
Purchase of fixed assets	(59,942)		(30,172)	
Proceeds from sale of fixed assets	49		122	
Proceeds from sale of investments	-		221,167	
Dividend on long term investment -other than trade	-		13,078	
Interest received	539		509	
NET CASH USED IN INVESTING ACTIVITIES (B)		(59,354)		204,704

SCHEDULES

Schedules forming part of the Accounts for the year ended March 31, 2004... (Contd.)

16 NOTES TO ACCOUNTS

11. Cash Flow Statement (Contd.)

(Rs. in '000)

	For the year ended March 31, 2004		For the year ended March 31, 2003	
C. CASH FLOW FROM FINANCING ACTIVITIES:				
Interest Paid	(19,681)		(97,871)	
Profit on sale of investment	889		-	
Long Term loans Availed / (Paid) (Net)	(182,780)		(4,160)	
Inter Corporate Deposits repaid	-		(290,000)	
Sales tax Deferral Availed / (Paid) (Net)	24,772		(76,395)	
Other borrowings	60,038		1,096	
Proceeds from issue of preference shares	-		120,000	
Proposed Preference Dividend (including tax thereon)	(24,523)		-	
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(141,285)		(347,330)
Net increase/ (decrease) in Cash and Cash equivalents (A) + (B) + (C)		(18,247)		23,065
Cash and cash equivalents (Opening Balance)		23,947		882
Cash and cash equivalents (Closing Balance)		5,700		23,947
Notes :				
1. Cash and cash equivalents consist of cash in hand and balance with banks.				
2. Trade and other receivables include loans and advances.				

15. Additional information pursuant to Part IV of Schedule VI of the Companies Act, 1956, is set out in the Annexure.

16. Previous year's figures have been regrouped / rearranged, wherever necessary.

Signatures to Schedules 1 to 16 forming part of the Accounts.
As per our Report of even date.

P.N. Ghatalia

Partner

Membership No. F 9554

For and on behalf of

PRICE WATERHOUSE

Chartered Accountants

Shailendra Dindore

Secretary

Place : Mumbai

Date : May 4, 2004

For and on behalf of the Board

D. S. Gupta

Chairman

Raman Nanda

Rajiv Bakshi

Directors

Place : Pune

Date : May 4, 2004

BALANCE SHEET ABSTRACT**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**

(Annexure)

(Additional information pursuant to the Part-IV of Schedule VI to the Companies Act, 1956)
(Refer Schedule 16, Note 15)**I. Registration Details**Registration No.

2	5	-	0	1	6	3	1	4
---	---	---	---	---	---	---	---	---

 State Code

1	1
---	---

Balance Sheet Date

3	1
---	---

0	3
---	---

2	0	0	4
---	---	---	---

Date Month Year**II. Capital Raised during the year (Amount in Rs. '000)**

Public Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Bonus Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Right Issue

						N	I	L
--	--	--	--	--	--	---	---	---

Private Placement

						N	I	L
--	--	--	--	--	--	---	---	---

III. Position of Mobilisation and Deployment of Funds (Amount in Rs. '000)

Total Liabilities

			6	3	5	6	4	2
--	--	--	---	---	---	---	---	---

Sources of Funds

Paid up Capital

			2	2	1	9	8	5
--	--	--	---	---	---	---	---	---

Secured Loans

				7	9	5	2	1
--	--	--	--	---	---	---	---	---

Deferred Tax Liability

				3	2	9	1	5
--	--	--	--	---	---	---	---	---

Application of Funds

Net Fixed Assets

			5	3	6	6	6	6
--	--	--	---	---	---	---	---	---

Net Current Assets

				9	8	9	7	6
--	--	--	--	---	---	---	---	---

Total Assets

			6	3	5	6	4	2
--	--	--	---	---	---	---	---	---

Reserves and Surplus

			2	1	5	8	7	1
--	--	--	---	---	---	---	---	---

Unsecured Loans

				8	5	3	5	0
--	--	--	--	---	---	---	---	---

Investments

						N	I	L
--	--	--	--	--	--	---	---	---

Misc. Expenditure

						N	I	L
--	--	--	--	--	--	---	---	---

IV. Performance of Company (Amount in Rs. '000)

Turnover

		1	8	0	4	6	5	7
--	--	---	---	---	---	---	---	---

+ - Profit/Loss Before Tax

✓	
---	--

1	3	1	7	0	8
---	---	---	---	---	---

+ -

✓	
---	--

(Please tick appropriate box + for Profit, - for Loss)

Total Expenditure

		1	6	7	2	9	4	9
--	--	---	---	---	---	---	---	---

Profit / Loss After Tax

			7	3	2	0	8
--	--	--	---	---	---	---	---

Earning per share (Rs.)

				5	·	5	9
--	--	--	--	---	---	---	---

Dividend Rate %

						N	I	L
--	--	--	--	--	--	---	---	---

V. Generic Names of three Principal Products / Services of Company (as per monetary terms)Item Code No.

						8	7	0	8
--	--	--	--	--	--	---	---	---	---

(ITC Code No.)Product Description

S	H	E	E	T		M	E	T	A	L		C	O	M	P	O	N	E	N	T	S					
A	S	S	E	M	B	L	I	E	S		&		S	U	B		A	S	S	E	M	B	L	I	E	S

Item Code No.

						8	4	6	2
--	--	--	--	--	--	---	---	---	---

(ITC Code No.)Product Description

T	O	O	L	S		D	I	E	S		A	N	D		M	O	U	L	D	S		F	O	R	
A	U	T	O	M	O	B	I	L	E		I	N	D	U	S	T	R	Y							

PROXY FORM AND ATTENDANCE SLIP**AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED**

Registered Office : G-71/2, MIDC Industrial Area
Bhosari, Pune 411 026, Maharashtra

PROXY FORM

DPIP / CLID* :
Regd. Folio :

No. of Shares :

I/Weof

(Write full address)

..... being member / members of
AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED, hereby appoint.....of

(Write full address)

..... or failing himof

(Write full address)

as my / our proxy to attend and vote for me / us on my / our behalf at the 14th Annual General Meeting of the Company to be held on Wednesday, the 23rd day of June, 2004 at "Nehru Memorial Hall", Atur Foundation House, 4, Dr. Ambedkar Road, Pune 411 001 at 3.00 P.M. and at any adjournment thereof.

Signed this day of 2004.

*Applicable for Members holding shares in Dematerialised form.

Signature

Revenue
Stamp of
Re. 1/-

AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED

Registered Office : G-71/2, MIDC Industrial Area
Bhosari, Pune 411 026, Maharashtra

ATTENDANCE SLIP

NAME OF MEMBER/PROXY*

DPID/CLID**

FOLIO NO.

NO OF
SHARES
HELD

I hereby record my presence at the 14th Annual General Meeting of the Company held on Wednesday, the 23rd day of June, 2004, at "Nehru Memorial Hall", Atur Foundation House, 4, Dr. Ambedkar Road, Pune 411 001 at 3.00 P.M.

Signature of the Member / Proxy*.....

*Strike out whichever is not applicable.

**Applicable for Members holding shares in Dematerialised form.

Note :

- Members/Proxies are requested to bring the duly filled in Attendance Slip to the Annual General Meeting, to be handed over at the meeting.
- If you intend to appoint a proxy, please deposit duly filled Proxy Form at Company's Registered Office at least 48 hours before the meeting i.e. upto 3.00 P.M. on 21st June, 2004.

