

Automobile Products of India Limited

Directors' Report dated 19th August, 2014

MANAGEMENT DISCUSSION AND ANALYSIS

During last year with passage of time picture of global economy became more promising. Last year started with stronger revival in US economy, during the year European economy also saw signs of recovery. Recovery in developed economies led to cut in various stimulus packages and concerns of slowing flow of foreign money in emerging markets like India pressurized currencies especially due to India's large current account deficit. Various measures by Government and RBI arrested the pressure but domestic growth remained a challenge. Domestic economic growth remained below 5% for second year in a row.

Controlling high inflation remained priority for domestic policy makers over growth. During later part of the last year elections in four states and central elections took center stage which affected pace of government decision making and policy framework. Sectors like automobile, capital goods, infrastructure, aviation suffered due to this and negative sentiments. With a strong mandate with newly elected central government there is an overall positive sentiment for faster decision making and revival of Indian economy.

Last year was an important year for your company in recent past, as for the first time in recent time your company posted a profit. Various efforts made by management in last couple of years has started yielding results. With likely revival of Indian economy and continuous efforts of the management, this year looks very promising. During last year your company added consultancy segment and management is actively looking for tapping various business avenues.

DIVIDEND

In view of the carried forward losses, your Directors do not recommend payment of any dividend on equity shares.

FIXED DEPOSITS

Your Company has not accepted any deposit from the Public during the financial year under review.

DIRECTORS

Section 149 of the Act which defines the composition of the Board and the criteria for a Director to be considered as independent has been notified w.e.f. 01.04.2014. The Board consists of five Directors out of which two Directors are Promoter Directors.

Shri K.S. Kirushnamani, Director of the Company resigned w.e.f. 5th February, 2014, the Board wishes to place on record its appreciation of the services rendered by him during his tenure.

Pursuant to Section 149 of the Companies Act, 2013 and as per amended clause 49 of the Listing Agreement all listed Companies are required to appoint atleast One Woman Director on the Board of Directors of the Company. Mrs. Priti P. Kataria was appointed as an Additional Director at the meeting of the Board of Directors of the Company held on 19th August, 2014 as an Additional Director to hold office upto the date of the ensuing Annual General Meeting.