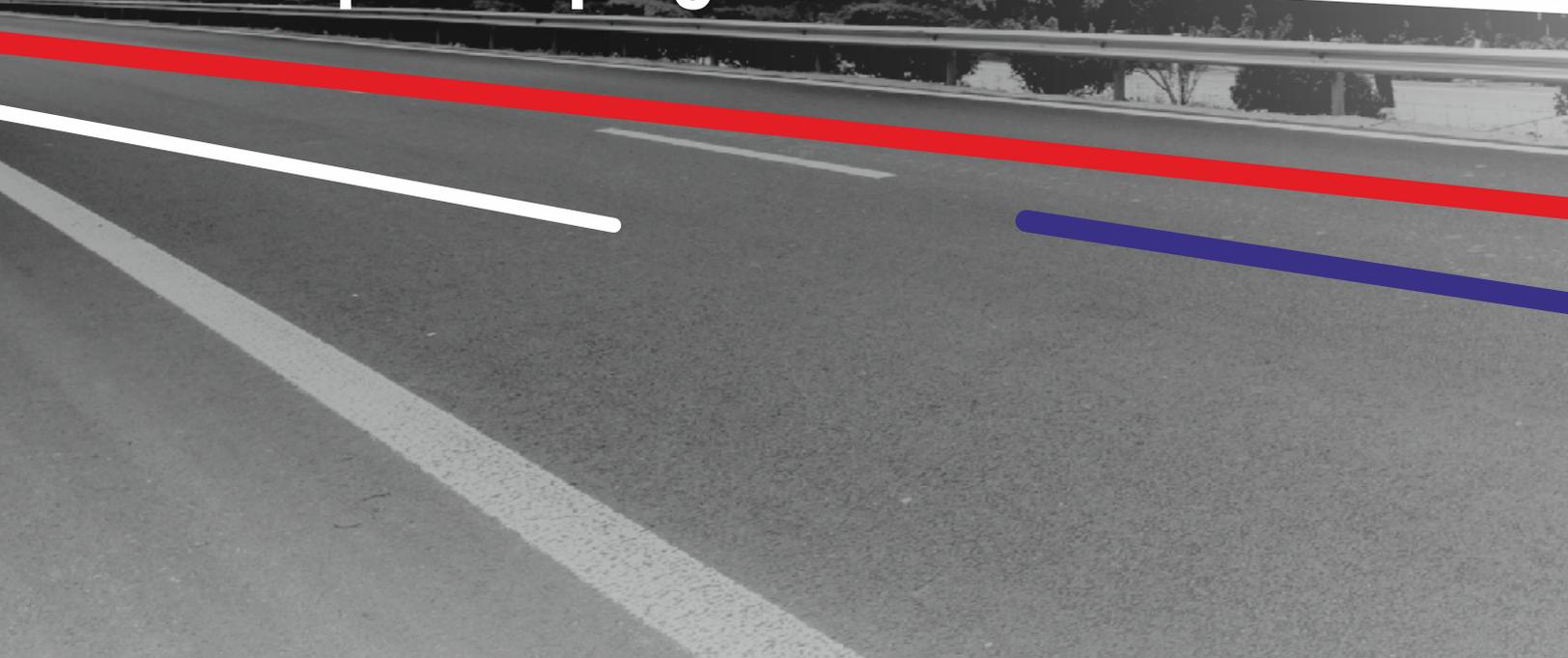


Review Reinforce Recharge



ATUL AUTO LIMITED
ANNUAL REPORT 2019-20

Unrelenting resilience, focus and strong self-belief go into the making of something great and enduring. This year as the Automobile Industry went through a paradigm shift, we at Atul continued our steadfast journey on the persistent path to progress.



Atul has faced the industry challenges head on. Swimming against the tide, we stayed strong and our performance has been along industry performance standards. Even as the entire industry faced negative growth and we experienced rough market conditions, our resolve to strengthen internal system remained robust.

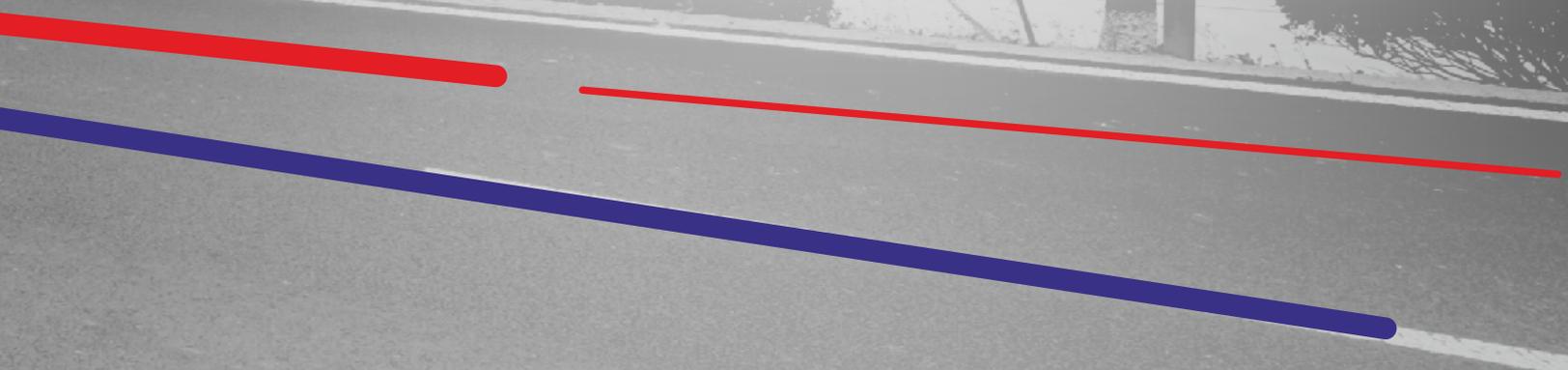
Our management team got down to work towards reviewing and redefining our systems across various verticals. We surged ahead with increased focus on the processes to enhance efficiencies, with short, medium and long term goals. We have evolved a definite road map from these continuous initiatives to integrate all the performance parameters and processes.

Our goal is to build an even smarter and more efficient business model that can compete with the best and gain more ground across regions.

Even as we deal with the unprecedented situation, we have our eyes and aim firmly set on the future. At Atul, that is not something new, we have been overcoming odds over the decades with innovations, technology and initiatives. We continue to accelerate ahead as we consistently reinvent ourselves and redefine the business for long term sustainable growth.



This year we have upgraded our production facilities to meet with BS VI norms



Review
Reinforce
Recharge

Contents



Corporate Overview

6	Vision and Mission
8	Corporate Information
10	Chairman's Letter
12	Management Team
14	Diversified Portfolio of Products
16	Market Presence
18	Key Trends
19	Financial Scorecards
20	Key Focus Areas

Statutory Reports

26	Management Discussion and Analysis
30	Notice of Thirty Second AGM
38	Board's Report (including Annual Report on CSR Activities)
59	Report on Corporate Governance (including General Shareholder Information)

Financial Statements

75	Auditors' Report (Standalone)
82	Standalone Financial Statements
115	Auditors' Report (Consolidated)
121	Consolidated Financial Statements
133	Form AOC-1

Vision

Our vision is to contribute towards making the common people self-reliant, with our state-of-the-art technology, products and services. We strive to contribute in the eradication of poverty.

Mission

Our mission is to fulfill our customers' needs and aspirations for mobility and solidity and to set benchmarks in technology, style and quality. We devote ourselves to cater to the common man's transportation needs by introducing environment friendly vehicles, empowered by technological advances.

Corporate Information

BOARD OF DIRECTORS

Jayantibhai J Chandra
Chairman and Managing Director

Mahendra J Patel
Whole-time Director & CFO

Neeraj J Chandra
Whole-time Director

Dr. Vijay K Kedia
Non-Executive Director

Dr. Margie S Parikh
Independent Director

Aarti J Juneja
Independent Director

Mohanjit Singh Walia*
Independent Director

Jaichander Swaminathan[§]
Independent Director

Vijay Kumar Goel⁺
Independent Director (Additional)

* Appointed w.e.f. August 10, 2019

§ Appointed w.e.f. August 26, 2019

+ Appointed w.e.f. August 25, 2020

AUDIT COMMITTEE

Aarti J Juneja, Chairperson
Dr. Margie S Parikh
Mohanjit Singh Walia
Dr. Jaichander Swaminathan

NOMINATION AND REMUNERATION COMMITTEE

Mohanjit Singh Walia, Chairman
Dr. Margie S Parikh
Aarti J Juneja
Dr. Jaichander Swaminathan

STAKEHOLDERS RELATIONSHIP COMMITTEE

Dr. Margie S Parikh, Chairperson
Aarti J Juneja
Mohanjit Singh Walia
Dr. Jaichander Swaminathan

CSR COMMITTEE

Jayantibhai J Chandra, Chairman
Dr. Margie S Parikh
Aarti J Juneja
Mohanjit Singh Walia

Committee Composition as of March 31, 2020

STATUTORY AUDITORS

Kamlesh Rathod & Associates
Chartered Accountants

COMPANY SECRETARY AND COMPLIANCE OFFICER

Paras J. Viramgama

REGISTERED OFFICE & MANUFACTURING FACILITY

Atul Auto Limited
Survey No. 86, Plot No. 1-4,
National Highway 8-B,
Near Microwave Tower,
Shapar (Veraval),
Dist. Rajkot, Gujarat, India 360024
Phone : 02827-235500
E-Mail : investorrelations@atulauto.co.in
info@atulauto.co.in
Website : www.atulauto.co.in

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C101, 247 Park, L B S Marg,
Vikhroli West,
Mumbai, Maharashtra, India 400 083
Phone : 022 4918 6270
E-Mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

BANKERS

IDBI Bank
EXIM Bank

STOCK EXCHANGES

BSE Limited
Script Code - 531795

National Stock Exchange of India Limited
Script Symbol - ATULAUTO



Chairman's Letter

Dear Shareholders,

We are in midst of unprecedented times due to spread of the COVID-19 pandemic in India and across the world. I hope that each one of you and your family members are safe and continue to adhere to the various guidelines and are taking all necessary precautions.

The global economic growth was on shaky ground this financial year 2019-20 with economic uncertainties like the US-China trade war, Brexit concerns and region-specific crises in Asia and Africa. In fact, at the rate of 2.9% in 2019 (IMF), this was the weakest pace since the global financial crisis a decade ago.

The cascading impact was also felt by the slow-down in the Automotive sector in India which registered a de-growth of 14.73 percent over the same period last year. Three wheeler industry was not an exception from this hit, witnessing a sharp decline of 9.19 % in FY 2020. Within the domestic three wheeler industry, passenger carrier de-grew by 8.28 % and goods carrier de-grew by 13.27 %.

The reason was challenges on multiple fronts – uncertainty over inventory liquidation prior to the BS-VI transition, liquidity crunch, the crisis in the non-banking finance companies (NBFC) sector, rise in third party insurance and road tax and overall weak consumer sentiments.

In spite of all this, I believe resilience and optimism are the need of the hour today.

Leveraging our Strengths

At Atul we have always looked at the long arch of growth, planning moves today to create greater leaps for tomorrow. And over the years we have built a solid foundation. Today we are among the fastest growing 3 wheeler companies, with a pan India presence.

We have emerged with vibrancy and energy as a powerful company with 3-wheeler vehicles across the entire fuel range – Petrol, Diesel, CNG, LPG and Electric. We are leveraging this large 3-wheeler brand portfolio to create a stronger presence across the country. Through planned strategies we have also expanded our reach globally.

Innovating Ahead

Atul is also engineering the engines that will chart the future of the 3-wheeler industry towards a brighter future. With strong R&D support, we are now proud to say that we have upgraded our manufacturing facilities to comply with BS VI norms.

At the same time, we are partnering the nation in realizing its goal of a zero-emission society. We believe that electric vehicles are the future of automobile sector. That's why we introduced the "Elite" range of E-vehicles. These vehicles straddle both the passenger and cargo segments and come in customizable configurations. In near future, we will launch Electric 3W powered by Lithium-ion with ongoing efforts in EV segment.

Green Field Project Expansion

We also continued to accelerate ahead in to the future with a new vision of growth and scale up our capacity and optimise production. Besides the existing world-class plants, Atul is setting up its new state-of-the-art plant at Ahmedabad. This plant will be equipped with top-of-the-line technologically advanced machineries with a production capacity of 60,000 vehicles per annum in a phased manner. This plant will add a big boost to our capabilities and empower us to take bolder leaps into the future.

While the commissioning of the project is about to complete, the decision about commencement of the commercial production will be taken once there is a sign or visibility about recovery in economy.

Bullish About Bouncing Back

Even as countries begin to restart their economies, many companies along with ours are still battling through the COVID-19 pandemic. To make sure that we emerge from this unprecedented crisis, by making the right choices for a better tomorrow.

We are bullish about bouncing back and creating opportunities out of these challenges.

At Atul we are focused on our long-term vision of delivering value to all our stakeholders including employees, shareholders, customers and society at large. We are guided by our values, our passion for innovation and the will to win.

I believe in Atul's unyielding spirit.



J J Chandra
Chairman and Managing Director

Management Team



J J Chandra
Chairman & Managing Director



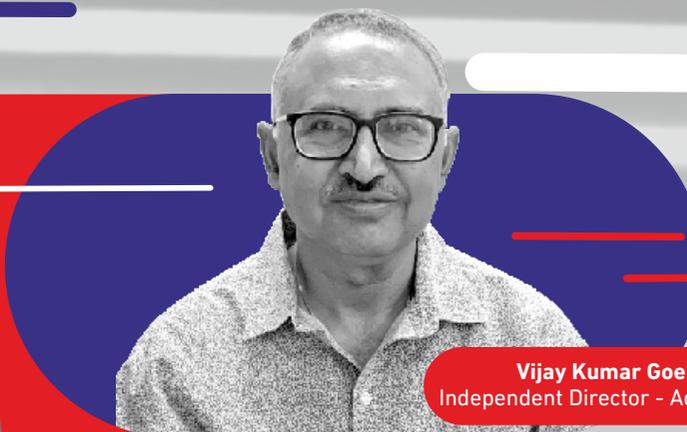
Dr. Vijay K Kedia
Non-Executive Director



Dr. Margie S. Parikh
Independent Director



Dr. Jaichander Swaminathan
Independent Director



Vijay Kumar Goel
Independent Director - Additional



Mahendra J Patel
Whole-time Director & CFO



Neeraj J Chandra
Whole-time Director



Aarti J Juneja
Independent Director



Mohanjit Singh Walia
Independent Director



J V Adhia
President - Accounts & Finance



A Padmanabhan
Mentor

Our Diversified Portfolio of Products



PASSENGER 3+1 (CNG)



CARGO (DIESEL)

ATUL //
GEM



PASSENGER 3+1 (DIESEL)



CARGO (CNG)

ATUL //
Gemini



PASSENGER 3+1 (PETROL)



CARGO (PETROL)

Atul Vehicles are available in

 Diesel  Petrol  CNG  LPG  Electric



CARGO



CARGO



PASSENGER



VEGETABLE VAN



CARGO

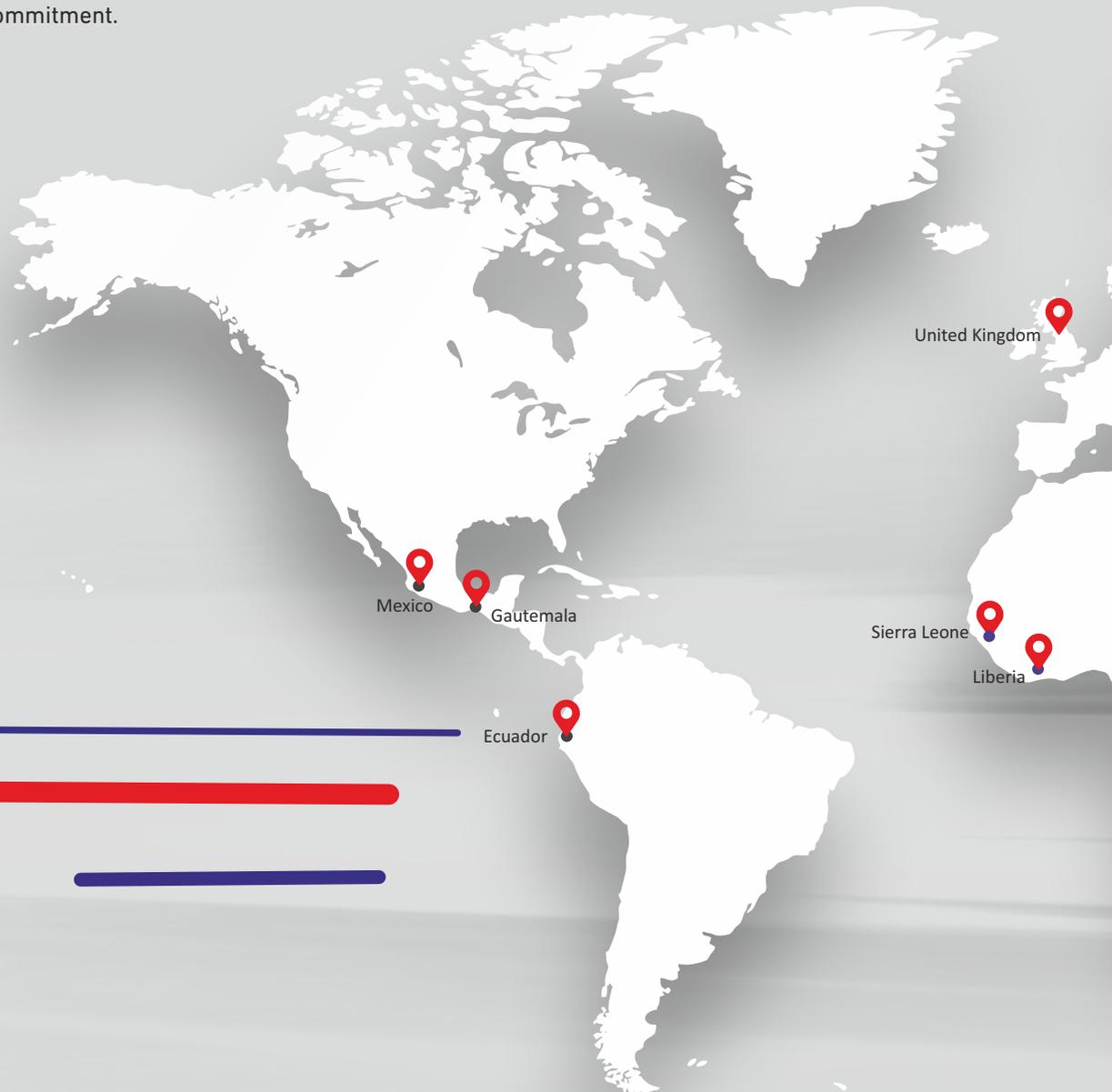
Our Presence

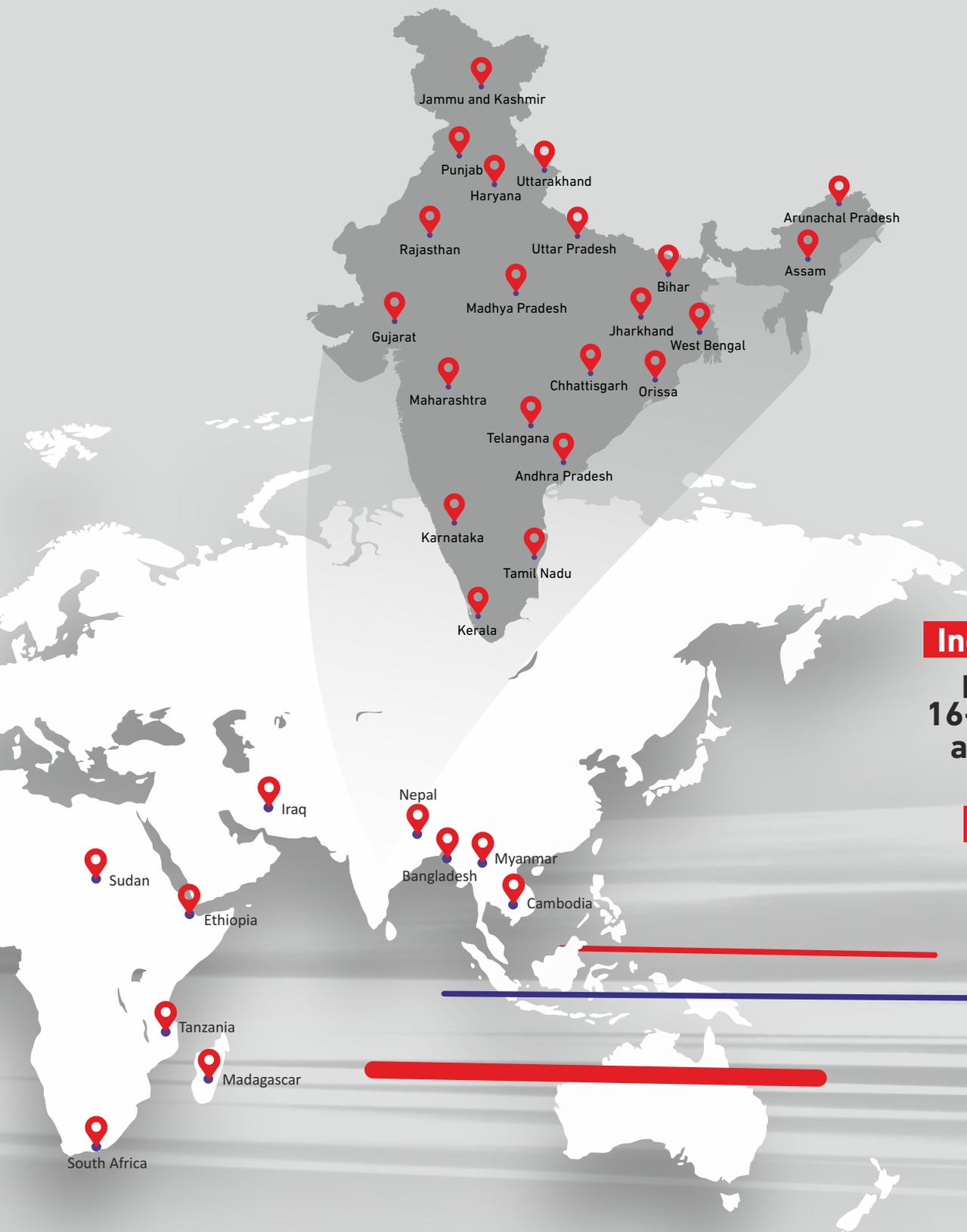
Overseas Presence

With quality and proven products, we have been expanding our reach in globe; the focus is to strategically enter the newer countries and expand the network in existing countries with product innovations and service commitment.

India Presence

Within India, we are creating a stronger distribution network towards pan India presence. We are also creating a greater push towards the urban markets of our country with the product range of Diesel, Petrol, LPG, CNG and E-Rickshaw variants in addition to rural and semi urban markets.





International
 presence in
 16+ Countries
 and growing

Domestic
 Pan-India
 Dealers
 Network

Jammu and Kashmir

Punjab

Haryana

Uttarakhand

Rajasthan

Uttar Pradesh

Arunachal Pradesh

Assam

Gujarat

Madhya Pradesh

Bihar

Jharkhand

West Bengal

Maharashtra

Chhattisgarh

Orissa

Telangana

Andhra Pradesh

Karnataka

Tamil Nadu

Kerala

Iraq

Nepal

Bangladesh

Myanmar

Cambodia

Sudan

Ethiopia

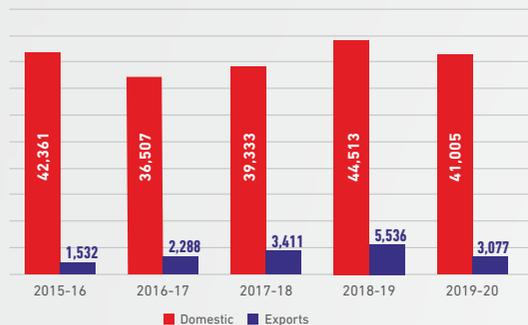
Tanzania

Madagascar

South Africa

Key Trends

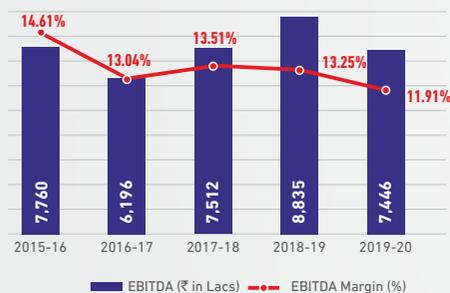
No. of Vehicles sold



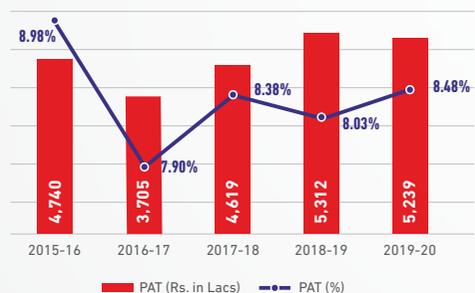
Turnover



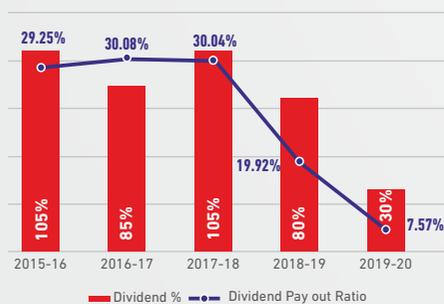
EBITDA



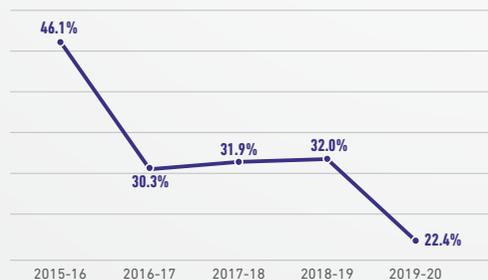
Profit After Tax



Dividend & Dividend Pay out Ratio



ROCE



Financial Scorecard

(Rs. in Lacs except per share data, ratio and vehicles)

Particulars	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17*	2017-18*	2018-19*	2019-20*
No. of vehicles sold	19,404	27,000	32,040	37,557	41,598	43,893	38,795	42,744	50,049	44,082
Total Revenue	20,266	29,942	36,582	43,306	49,866	53,236	47,779	55,855	67,363	62,848
Turnover (Net of Excise Duty & GST)	20,107	29,798	36,286	42,926	49,007	52,801	47,220	55,122	66,135	61,751
Profit before tax (PBT)	1,406	2,324	3,722	4,275	5,925	7,153	5,610	6,943	8,195	6,703
Profit before tax (%)	6.99%	7.80%	10.26%	9.96%	12.09%	13.55%	11.88%	12.60%	12.39%	10.85%
Profit after tax (PAT)	943	1,559	2,592	2,979	4,057	4,740	3,705	4,619	5,312	5,239
Net Profit Ratio	4.69%	5.23%	7.14%	6.94%	8.28%	8.98%	7.85%	8.38%	8.03%	8.48%
EBITDA (in Lacs)	2,006	2,814	4,206	4,831	6,378	7,760	6,196	7,512	8,835	7,446
EBITDA Margin (%)	9.95%	9.42%	11.56%	11.23%	12.94%	14.61%	13.04%	13.51%	13.25%	11.91%
Paid up Share Capital (Equity)	585	731	1,097	1,097	1,097	1,097	1,097	1,097	1,097	1,097
Free Reserves & Surplus	3,397	4,824	6,280	8,297	10,956	14,310	17,327	20,842	24,763	29,228
Debt	600	389	-	-	-	-	-	-	-	-
Equity / Shareholders' Fund	3,982	5,555	7,377	9,394	12,053	15,407	18,425	21,939	25,860	30,325
Earnings per Share (Face Value Rs. 5/-)	5.37	8.26	11.81	13.58	18.49	21.60	16.88	21.05	24.21	23.88
Dividend %	40%	50%	60%	75%	100%	105%	85%	105%	80%	30%
Dividend Payout Ratio	28.85%	27.26%	29.71%	32.32%	32.51%	29.25%	30.08%	30.04%	19.92%	7.57%
Market Capitalization	6,788	8,393	16,238	39,459	1,22,125	1,13,359	1,02,464	96,813	74,596	30,578
No of vehicles manufactured	19,321	27,563	32,013	37,447	41,565	44,232	38,981	42,660	50,153	43,408
*Capacity Utilisation	80.50%	114.85%	88.90%	78.01%	86.59%	73.72%	64.96%	71.10%	83.59%	72.35%

*Installed Capacity: 24,000 units upto FY 2011-12, 36000 units in FY 2012-13, 48,000 units upto FY 2014-15 and 60,000 from FY 2015-16 Onwards

*Figures for these periods are as per IND AS and Schedule III of Companies Act, 2013. Total revenue for the periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue for these periods. Hence these figures are not strictly comparable.

Transforming Transportation with Advanced R&D

The vehicles of today and tomorrow are driving us into a bold new future. And Atul is engineering the engines that will chart the future of the 3wheeler industry towards a brighter future. Our resolve to power into the future is fuelled by innovation and the will to push boundaries. Today our core strengths of quality, durability, reliability and innovation is helping us expand across India and leap across shores.

15+
models



Exported to

16+

countries
across
5 continents

of passenger and cargo vehicles



Since the 1970's, the core philosophy and mission of Atul has been to create innovations in the 3-Wheeler industry that fulfill the needs of people. Today we are among the fastest growing 3-wheeler companies with a pan India presence and expanded our network to 16+ countries across the globe.

We are accelerating ahead with that same trailblazer spirit to create new three wheeler revolutions. By catering to a wide sweep of the market, from institutional buyers to individual fleet owners, we have created a business that is more customer-centric, faster, efficient and empowered to enable faster decision-making.

We are emerging with new vibrancy and energy as a powerful company with vehicles across the entire fuel range – Petrol, Diesel, CNG, LPG and Electric.

Built to Carry Big Dreams **Anytime, Anywhere**

Atul is the player with complete range of 3-wheeler products across the fuel range

 **Diesel**  **Petrol**  **CNG**  **LPG**  **Electric**

Designed with wide chassis options, Atul vehicles offer unmatched versatility and can be customized as for almost any business need. Vehicle for each segment are designed to offer the best comfort for driver and passenger and greater loading space for wider applications in the cargo segment.



Cargo

Every Atul cargo vehicle has world class features that help you to conquer any competition in the toughest of business environments. Its vehicles are plugging the inter-city transportation needs with last mile connectivity in goods transport. It also has a range with bigger load carrying capacity, which empowers customers to go greater distances, enabling them to do more business per mile at low operating cost.



Passenger

Atul knows that you demand utmost dependability from the passenger vehicle. Therefore every Atul passenger vehicle is engineered and manufactured to deliver utmost comfort while performing better, faster, and longer than anything out there. Be it the uneven and congested narrow lanes of the old city or the fast track traffic of modern city centers, Atul passenger vehicles have the power you need to take on any city terrain.

Your Atul vehicle can become a Carrier for – Milk, Water Bottle, Bread, Bakery, Poultry Products, Gas Cylinder; a Vegetable Van; an Ice-Cream Van; a Fast Food Van and much more!



Modern Features for Great Comfort

The new range of Atul vehicles offer many 'first-in-class' and unmatched convenience features. These not only make every ride stylish, but also add greater comfort than ever before for the driver and passenger.



New
Sporty
Graphics



Attractive
Stitched
Seat Cover



Mini
Fan For
Driver



Coin Holder
Single Touch Smart
Charge On The Go



New Wheel
Rim/caps

Multi Focal
Head Lamp With
Halogen Bulb



New Signature
Chrome Logo



LED
Cabin
Lamp



Smart Console
Cluster



MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY DURING FISCAL 2020

Global

Global economic growth registered @ 2.9% in 2019 (IMF), the weakest pace since the global financial crisis a decade ago. This global slowdown caused by the US-China trade war, Brexit concerns and region-specific crises in Asia and Africa. In last quarter of CY 2019, market sentiment had been boosted by tentative signs that manufacturing activity and global trade are bottoming out, a broad-based shift toward accommodative monetary policy, intermittent favorable news on US-China trade negotiations, and diminished fears of a no-deal Brexit. But later, the health crisis, put forward by COVID-19 pandemic all over the world vanished the early signs of positivity in global economy. Protecting lives and allowing health care systems to cope up to meet the challenge, required isolation, lockdowns and widespread closures to slow the spread of the virus. This unprecedented health crisis is therefore having a severe impact on economic activity.

Uncertainty became the new normal during this pandemic. IMF, in its June 2020 World Economic Outlook (WEO) projected the Global growth at (-) 4.9 percent for 2020. Growth in 2020 in the advanced economy group is projected at (-) 8.0 percent whereas it is (-) 3.0 percent for emerging market and developing economies. The COVID-19 pandemic has a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast.

Indian

FY 2020 started off on an optimistic note with the Government receiving stronger mandate for the second successive term, which raised hopes of continuity in policy and reforms framework. However, the economy was grappling with slow macro numbers throughout the year. India's GDP had grown at 5.2% in Q1, 4.4% in Q2, 4.1% in Q3 and 3.1% in Q4 aggregating to a growth of 4.2% for the full year.

This is not only a far cry from the 8.5% growth that the government expected in July 2019 when it presented the Budget for that year, but also significantly lower than the 5% that the Second Advance Estimates suggested at the end of February earlier this year. The main reasons attributed to this sharp fall in the GDP growth rate were - contracted manufacturing activity, weakened investments, slow growth in rural income, lessened consumption demand and credit from NBFCs.

AUTO INDUSTRY

Financial Year 2019-20 was a very challenging year for the Indian auto industry. The industry could produce a total 2,63,62,282 vehicles including Passenger Vehicles, Commercial Vehicles, Three Wheelers, Two Wheelers and Quadricycles as against 3,09,14,874 in FY 2018-19, registering a de-growth of (-) 14.73 percent over the same period last year.

Whereas the industry was focused on achieving smooth and efficient transition from BS IV to BS VI on the other front, the industry had to face

with very challenging market scenario on account of overall slowdown in the economy, liquidity crunch, the crisis in the non-banking finance companies (NBFC) sector, the increase in third party insurance and road tax, and the consequent hike in the cost of acquisition, uncertainty arising out of inventory liquidation prior to the BS-VI transition, expectations of a possible GST reduction and weak consumer sentiments.

Domestic Market

Three wheeler industry was not an exception from this worst hit. Against the growth in domestic three wheeler sales of 10.27 % last year, the industry witnessed the sharp decline of 9.19 % in FY 2020. Domestic three wheeler sales during FY 2020 was 6,36,569 vehicles in compare to 7,01,005 vehicles in FY 2019. Within the domestic three wheeler industry, passenger carrier de-grew by 8.28 % and goods carrier de-grew by 13.27 %.

The pattern of quarterly outcomes of three wheeler domestic sales during FY 2020 remained uneven. Q1 and Q2 numbers showed de-growth of 7.3 % and 6.1 % respectively, whereas Q3 performed positively with growth of 5.7 percent. In the last quarter on account of limited primary billings the volume was deep by 28.0 %. OEM had a cautious stand and intending that dealer should liquidate its BS IV inventory to avoid issues of registration subsequently.

In this challenging industry situation, Atul sold 40,711 three wheelers in domestic market in FY 2020 against 44,513 units last year. Among this, the sales of passenger and cargo three wheelers de-grew by 6.6 % and 11.8 % respectively whereas E-Rickshaw sales grew by 17.21%.

International Market

The international market for three wheeler industry showed de-growth of 11.54 % in FY 2020. Indian exports of three wheeler decreased from 5,67,683 in FY 2019 to 5,02,169 in FY 2020. This downfall was on account of global growth decelerated markedly in FY 2020 with continued weakness in global trade and investment. Not only advanced economies, but Emerging Markets and Developing Economies also felt the jerk, which are the potential markets for three wheeler industry.

Atul's export declined sharply from 5536 vehicles in FY 2019 to 3367 vehicles in FY 2020. This de-growth of 39.18 % is due to weak international market and foreign exchange issues in the countries where the Company has substantial share, it further deteriorated economic activities in international market due to COVID-19 in last quarter of the year. The Company continues its efforts to grow on-ground presence, to expand product portfolio and strengthen brand in key international markets.

RESEARCH AND DEVELOPMENT

The year was very busy for Research and Development Activities of the Company as the transition from BS IV to BS VI emission norms are to be carried out before its implementation date i.e. April 01, 2020 and on other hand, development activities are running in full swing to grab the business opportunities in e-vehicle. The Company has strong

foundation and long tradition of R&D which differentiates it from others. New products, processes and benefits flow from work done in various areas of product development and up gradation in existing product/s. With modern facilities and technology culture, we attract the best talent to provide a significant technology differentiation to its products and processes.

BS VI Compliant Vehicles

BS-VI in 2020 is leapfrog not only because India is skipping BS-V standards. It is leapfrog because of several fundamental shifts in approaches to emissions control, monitoring and compliance that are becoming possible for real cuts in emissions. The Company could successfully carry out transition from BS IV to BS VI emission norm before the date of its implementation i.e. April 01, 2020.

Alternate Fuel 3W

The Company has been moving steadily into Alternate Fuel 3W (Petrol/ CNG/ LPG) space. As part of Company's commitment to make constant

embellishments in its Alternate Fuel 3W space, the Company is almost ready with its new range of Alternate Fuel 3W. Very soon, with launch of the stylish model, the customer will get best in class comfort and economy in 0.35 ton passenger segment.

Electric Vehicles (EV)

Backed with the rich experience in the three wheeler industry, the Company understands the need of the day, value of environment and importance of sustainability. The Board considers the introduction of Green 3Wheeler a new era for the industry as well as for the Company. To encourage faster adoption of electric and hybrid vehicle by way of offering upfront incentive on purchase of EVs, the Government has announced the FAME II (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) policy. The Government as well as the Company has been making necessary investments into EV space. All together new model with upgraded features is under development to be powered with Lithium-ion Battery, which will be able to compete conventional 3 wheelers and will carry distinct advantages like low operating cost, less charging time and comfort for passengers.

**Being
Future
Ready**



OPPORTUNITIES AND THREATS

The whole automobile industry has been transforming towards greater safety and greener environment. Considering the importance of automobile industry to the economy, its potential for generating employment opportunities and its backward and forward linkage with several sectors, the Government is keen to support its development.

FY 2020 was the difficult year for the auto industry and FY 2021 seems more challenging one due to lockdowns and uncertainties arising from COVID-19. The COVID-19 pandemic is causing paradigm shifts in consumer behaviour affecting many industries including the automobile Industry. Social distancing norms followed across the globe due to COVID-19, could become the new normal. People may move away from use of shared/ public transport solutions. This changed preference would lead to enhanced need for a separate mobility solution like three wheeler automobiles than travelling by local train/ buses.

The Government is actively pursuing the plan for electrification of the vehicle fleet and has announced the FAME II (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) policy. The industry is gearing up for meeting this challenge on the technology and product fronts. Having required technology support and R&D strength, the Company is satisfactorily progressing to have electric three wheeler with Lithium-ion battery.

With new range of Alternate Fuel 3W (Petrol/ CNG/ LPG) and recovery of economic activities in the world amongst COVID-19 pandemic, the Company expect to have deeper penetration in existing markets and entering into new countries to expand the international business.

RISKS AND CONCERNS

Uncertainty that rules the whole world in this health crisis put by COVID-19. Though the Company's business is exposed to many internal and external risks, the risk posed by COVID-19 is so heavier that the Company as well as industry is strategically finding the ways to mitigate adverse results of it.

The nation-wide lockdown that began in the last week of March 2020 extended over first quarter of 2020-21 to contain the spread of corona virus stand still the economic activities in the Country. This resulted in very insignificant business in first quarter of the year which has a risk of negative growth in FY 2021, may be lowest performance of last many years.

The hit of COVID-19 on low income group families are very severe who are the actual buyer of three wheeler automobiles. They are more worried on satisfying their day to day needs. This may lead them to conserve cash and may delay their buying decisions of new vehicle.

Suppliers are facing working capital issues with additional challenges of labour availability, limited working hours, compliance to government guidelines on containment of COVID-19 etc. Some supplier's operations are interrupted falling into micro containment zone. This possesses the risk of intermittent supply for short to medium term. With the robust purchase planning and working capital availability, the Company is in the position to manage the smooth availability of supplies.

Dealers of the Company are facing working capital stress since the cycle of retail sales are increased due to demand constraint. The Company provides the necessary support and consultation to secure the availability of dealer finance and minimize the risk. The results of measures taken by Government and RBI for enhancing availability of credit may help the dealers in managing working capital.

While more than 90% sales of three wheelers are dependent on finance by NBFCs & financial institutes like bank etc., the availability of retail finance has become the major concern. Right from the lockdown was declared in the last fortnight of March 2020, the collection cycle has been disturbed. Financiers are having apprehensions about funding the new vehicles as they need to fund higher amount per vehicle due to increase in price of BS VI vehicles in compare to BS IV vehicles. On the other hand, the collection of existing loans by financiers is very insignificant due to moratorium announced by RBI as part of measures to revive the business activities in COVID-19 pandemic. The Financiers have taken very conservative stand. This would result in higher cost of finance in the form of higher interest rate to the customers and less availability of the loans.

The Company has initiated various measures to mitigate the above risks including realigning the cost structure in line with the scale of activities, limited credit sales etc., With existing expertise-experience in the three wheeler business, robust management, minimum debt, sufficient finance availability, the Company is equipped to pass through the challenging year.

OUTLOOK

With India's GDP of 4.2 percent in FY 2020, the lowest of last decade, the economy would confront with unforeseen challenges. The business operations of the Company in FY 2020 remained in line with industry performance or somehow above the industry performance. The attempts of the Company towards consolidating the business during FY 2020 would help the Company towards strategizing the operations during COVID-19 pandemic.

With Social Distancing and Work From Home (WFH) - a new normal, automobile industry as a whole would see substantial changes and negative impact on the business in coming year. As no part of the world is unaffected from COVID-19, international trade is not an exemption, too. The medium to long term outlook of the automobile industry seems positive with expectation of double digit CAGR growth during 2016-2026 as per Automotive Mission Plan 2026 (AMP 2026).

Towards the endeavour to grow the business, the following factors will significantly impact in FY 2021:

- ◆ Policy measures of Central and State/ Local Government
- ◆ Availability of dealer and retail finance
- ◆ Demand from rural economy which is driven by agricultural income which is less impacted in compare to manufacturing income in COVID-19 pandemic and expectation of normal monsoon
- ◆ Capabilities of R&D in the space of EV

As the uncertainty prevails in this extra-ordinary time, it is difficult to predict the performance of the industry or the Company for upcoming year/s. The Company has been analysing what has been happening in the economy specifically concerning the supply and demand, and taking steps to align the business with it to overcome the risk and grab the opportunity wherever it is available. The Company is also eyeing over the opening up of economies where the spread of COVID-19 is on decreasing line to expand the international business.

INTERNAL CONTROL SYSTEMS

Your company maintains adequate internal control system which is continuously evaluated by professional auditors of repute. The company continues to improve the present internal control systems by implementation of appropriate policy and processes. The Company is

focused on incorporating the controls and checks in ERP system of SAP.

An increased emphasis has been laid on Internal Control Systems and Vigilance Systems to ensure efficacy and monitoring of the Company's operations.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Human Resource Development activity includes workforce planning, employee engagement, performance and compensation management, learning and development, career & succession planning and organization development. Towards sustenance and delivering improved results, these activities have a structured approach, policies and standard operating procedures which are reviewed and updated periodically. The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. As on March 31, 2020, the number of employees working with the Company was 993 excluding contractual labour. As part of cost optimisation in line with the scale of operations on account of COVID-19 pandemic, the Company has taken steps that also include the reduction in manpower and remuneration of employees including executive directors. The Company continuously maintain good industrial relations without any disruption at work.

COMPANY'S OPERATIONAL PERFORMANCE

FY 2020 remains the challenging one for the industry as well as the Company. The details of company's financial performance vis-a-vis operational performance during the financial year ended March 31, 2020 are as under:

- ♦ The Company sold 44,082 vehicles in FY 2020 in compare to last year figure of 50,049 vehicles. Out of this, 3367 vehicles sold in international market in compared to 5,536 vehicles last year.

- ♦ The ratio of cargo, passenger and E-Rickshaw to total number of three wheelers sold during FY 2020 were 39.51%, 58.86% and 1.63% respectively.
- ♦ The income from operations increased to Rs.62,534 Lacs in FY 2019-20 compared to Rs.66,676 Lacs last year. The Income from operations consists of Vehicle Sales Turnover in export of Rs.3,543 Lacs.
- ♦ EBITDA margin for the year is 11.91% which was 13.25% during last financial year.
- ♦ Average Sales Realization P/Vehicle has gone up to Rs.1,35,436/-, increased by 5.72%.
- ♦ Material cost in FY 2020 stood at Rs.45,089 Lacs in compare to Rs.49,497 Lacs in last year.
- ♦ Employee benefits expenses were Rs.5,455 Lacs in FY 2020 as compared to Rs.4,768 Lacs last year. During the year employee benefit expenses have gone up due to net increase in employees count by 66 employees in current year.
- ♦ Finance cost increased from Rs.86 Lacs in FY 2019 to Rs.103 Lacs in FY 2020.
- ♦ Product Development Charges increased from Rs.209 Lacs this year in compare to Rs.434 Lacs last year on account of transition from BS IV to BS VI emission norms and new product development.
- ♦ Net profit for the year is Rs.5,239 Lacs as against Rs.5,312 Lacs during last financial year.

KEY FINANCIAL RATIOS

The key financial ratios of the Company are as under:

Particulars	2019-20	2018-19
Debtors Turnover (Days)	34	43
Inventory Turnover (Days)	31	29
Current Ratio (Times)	1.98	2.11
Operating Profit Margin (%)	7.66	7.43
Net Profit Margin (%)	8.48	8.03
Return on Net Worth (%)	17.28	20.54

There was no debt on the Company as on March 31, 2020 and hence, debt equity or interest coverage ratios have not been provided. There was no significant change in the above key financial ratios during the year in compare to previous year.

Cautionary Statement

This document contains statements about expected future events, financial and operating results of Atul Auto Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward- looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on\ forward-looking

statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Atul Auto Limited's Annual Report FY 2020.

NOTICE OF THIRTY SECOND ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Second Annual General Meeting of Members of Atul Auto Limited (CIN: L54100GJ1986PLC016999) will be held on Tuesday, September 29, 2020 at 03.00 pm (IST) through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") facility, to transact the following businesses:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020 together with Board's Report thereon and Auditors' Reports thereto.
2. To appoint a Director in place of Mr. Vijay K Kedia (DIN: 00230480) who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

3. Appointment of Mr. Vijay Kumar Goel (DIN: 05014980) as Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Vijay Kumar Goel (DIN: 05014980), who was appointed as an Additional Director of the Company with effect from August 25, 2020, pursuant to Section 161 of the Act and provisions of Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (three) years with effect from August 25, 2020 to August 24, 2023."

4. Re-appointment of Mr. Neeraj J Chandra (DIN: 00065159) as Whole-time Director

To consider and if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), as well as provisions contained in Articles of Association of the Company, the approval of members of the Company be and is hereby accorded to re-appointment of Mr. Neeraj J Chandra (DIN: 00065159) as Whole-time Director, for a period of 3 (three) years from the expiry of his present term of office i.e. with effect from April 01, 2021 to March 31, 2024 with current remuneration and terms set out in the statement

annexed to the notice, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration in compliance with the provisions of the Act in such manner and within the limits as prescribed in Schedule V to the Act including any amendment, modification, variation or re-enactment there of which will be subject to necessary approval/s."

"RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. Neeraj J Chandra (DIN: 00065159), the referred remuneration shall be paid to him as minimum remuneration in compliance with provisions mentioned in Schedule V to the Act."

"RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient to give effect to this resolution."

By order of the Board of Directors of
Atul Auto Limited

(Paras J Viramgama)

Company Secretary & Compliance Officer

Place : Shapar (Dist. Rajkot)

Date : August 25, 2020

NOTES:

1. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") vide circular no. 20/2020 dated May 05, 2020 read with circular No. 14/2020 dated April 08, 2020 and circular No. 17/2020 dated April 13, 2020 (collectively referred to as 'MCA Circulars'), inter alia, permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. Considering social distancing as a pre-requisite to contain spread of COVID-19 and in compliance with the provisions of the above MCA Circulars, the Companies Act, 2013 ("Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM on InstaMEET platform of Link Intime India Private Limited ("Link Intime") for which detailed instructions are annexed to this Notice. Members attending the AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
2. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rules issued thereunder and the SEBI Listing Regulations, 2015, the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members through InstaVOTE, e-voting platform provided by Link Intime. The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on

closing of September 22, 2020 i.e. cut-off date only shall be entitled to avail the facility of remote e-voting. The members may cast their votes on electronic voting system from place other than the venue of the meeting ("remote e-voting"). The Members attending AGM through VC/ OAVM who have not cast their vote by remote e-voting shall be eligible to vote through the same system during AGM till 15 minutes after the AGM is over. The detailed instructions for e-voting (including remote e-voting) are annexed to this notice.

The remote e-voting period will commence at 9.00 AM (IST) on Saturday, September 26, 2020 and will end at 5.00 PM (IST) on Monday, September 28, 2020. The remote e-voting module shall be disabled by Link Intime for voting thereafter.

3. The deemed venue for thirty second AGM shall be the registered office of the Company for all secretarial compliance and other purpose.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to upload necessary documents as per instructions for remote e-voting.
6. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.
7. Since the AGM will be held through VC / OAVM, the Route Map of the AGM venue is not annexed to this Notice.
8. The Board of Directors at its meeting held on August 25, 2020 has decided that the special businesses set out under item no. 3 and 4, being considered unavoidable by the Board of Directors of the Company, be transacted at AGM of the Company. The relative explanatory statement, pursuant to Section 102 of the Companies Act, 2013 in respect of these items is annexed hereto.
9. A statement giving additional details of the Directors seeking appointment /re-appointment at this AGM as set out at Item No. 2, 3 and 4 of this Notice are annexed herewith as required under Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India.
10. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of Companies Act, 2013 and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Companies Act, 2013 and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an request email to investorrelations@atulauto.co.in
11. The Register of Members and Share Transfer Books of the Company shall remain closed from September 23, 2020 to September 29, 2020 (both days inclusive) for the purpose of AGM.
12. At the 29th AGM of the Company held on September 29, 2017, the Members approved appointment of M/s. Kamlesh Rathod & Associates, Chartered Accountants, Jamnagar (ICAI Firm Registration Number 117930W) as Statutory Auditors of the Company to hold office from the conclusion of the said Meeting till the conclusion of the 34th Annual General Meeting, subject to ratification of their appointment by the Members at every intervening AGM held thereafter. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 07, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at this AGM.
13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2019-20 are available on the website of the Company at www.atulauto.co.in/annual-reports.aspx, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and on the website of nstaVOTE platform of Link Intime at <https://instavote.linkintime.co.in>. Company's web-link on the above will also be provided in advertisement being published in The Indian Express (English Language) and Financial Express (Gujarati Language).
14. In case a person has become a member of the Company after dispatch of AGM Notice, but on or before the cut-off date i.e., Tuesday, September 22, 2020, such person may obtain the User ID and Password for e-voting from InstaVOTE by sending an e-mail request on enotices@linkintime.co.in
15. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/ Folio Number, PAN, Contact Number at investorrelations@atulauto.co.in till September 26, 2020. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
17. Member may also send their query in writing to investorrelations@atulauto.co.in on or before September 26, 2020, mentioning their name, DP ID and Client ID/ Folio Number, PAN, Contact Number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting. Members can also post their questions during AGM through active chat-board, which is available in the VC/OAVM Facility.
18. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 26, 2020 through email on

- investorrelations@atulauto.co.in. The same will be replied by the Company suitably.
19. As per Regulation 40 of the SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form through your DP. Members can contact the Company Secretary or Link Intime India Private Limited Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard.
 20. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with RTA of the Company by sending an e-mail on rnt.helpdesk@linkintime.co.in along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.
 21. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.
 22. Members holding shares in single name are advised to make a nomination in respect of their shareholding in the Company. Members holding shares in physical form should file their nomination with the Company or RTA in Form SH-13 (A copy is available on RTA's website www.linkintime.co.in), whilst those Members holding shares in demat mode should file their nomination with their Depository Participant.
 23. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Company's RTA, the details of such folios together with the share certificates for consolidating their holdings in one folio. A consolidated share certificate will be issued to such Members after making requisite changes.
 24. In terms of section 124(5) of the Act, dividend amount remaining unclaimed for a period of 7 years shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account. Members who have not claimed dividends are requested to approach the Company or RTA for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account. The details of unclaimed dividend is uploaded on website of the Company <https://atulauto.co.in/unclaimed-dividend.aspx>
 25. The Board of Directors has appointed Mr. Viral Thakrar (Membership No. A46235, COP No. 16856), Practicing Company Secretary as the Scrutinizer to scrutinize e-voting process in a fair and transparent manner.
 26. The results shall be declared not later than forty eight hours from conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at www.atulauto.co.in and the website of InstaVOTE of Link Intime <https://instavote.linkintime.co.in> immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.
 27. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.
 28. Instructions for e-voting (including remote e-voting) and attending the AGM through VC/ OAVM are annexed to this Notice.

By order of the Board of Directors of
Atul Auto Limited

(Paras J Viramgama)
Company Secretary & Compliance Officer

Place: Shapar (Dist. Rajkot)
Date : August 25, 2020

INSTRUCTIONS IN RESPECT TO E-VOTING AND VC/ OAVM

Instructions for Remote E-Voting:

1. Open the internet browser and launch the URL:
<https://instavote.linkintime.co.in>

Those who are first time users of Link Intime e-voting platform (InstaVOTE) or holding shares in physical mode have to mandatorily generate their own Password, as under:

- (i) Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details:-

A. **User ID:** Enter your User ID

- Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
- Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
- Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

C. **DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

D. **Bank A/c No:** Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

- Shareholders/ members holding shares in CDSL demat account shall provide either 'C' or 'D' above
- Shareholders/ members holding shares in NSDL demat account shall provide 'D' above
- Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above

- (ii) Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter).

- (iii) Click "confirm" after entering CAPTCHA (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on InstaVOTE platform of Link Intime: <https://instavote.linkintime.co.in>, and/or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful login, you will be able to see the notification for e-voting. Select 'View' icon.

5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/ Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).
7. After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to InstaVOTE at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.
9. If you have forgotten the password:
 - Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
 - Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
 - In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
 - Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
 - The password should contain minimum 8 characters, at least one special character (@!#\$%&*), at least one numeral, at least one alphabet and at least one capital letter.
10. Other Instructions:
 - It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
 - During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular "Event".
 - Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
 - In case shareholders/ members have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to enotices@linkintime.co.in or contact on: - Tel: 022 -4918 6000.

Instructions for Video Conference (“VC”)/ Other Audio Visual Means (“OAVM”) facility

1. The facility of joining AGM through VC / OAVM will be open 30 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting. The facility of participation at the AGM through electronic mode will be made available for 1000 members on first come first served basis. It may be noted that the large Shareholders (i.e. Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders’ Relationship Committee, Auditors are allowed to attend the AGM without restriction on account of first come first served basis.
2. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - ▶ Select the “Company” and ‘Event Date’ and register with your following details: -
 - A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
 - B. PAN: Enter your 10-digit Permanent Account Number (PAN) Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
 - C. Mobile No.: Enter your mobile number.
 - D. Email ID: Enter your email id, as recorded with your DP/Company.
 - ▶ Click “Go to Meeting” (You are now registered for InstaMeet and your attendance is marked for the meeting).

For a smooth experience of AGM proceedings, shareholders are requested to download and install the Webex application in advance on the device that you would be using to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>. Shareholders also have an option to click on the URL provided to attend the meeting. Please read the instructions carefully and participate in the meeting. For any support, shareholders may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

Instructions for Shareholders/ Members to Vote during AGM through InstaMeet:

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting “Cast your vote”
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on ‘Submit’.
3. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
4. Cast your vote by selecting appropriate option i.e. “Favour/ Against” as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’.
5. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

General Instructions:

- Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.
- Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
- Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
- Please note that Shareholders/ Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
- In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on Telephone 022-49186175.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)

Item No. 3:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Vijay Kumar Goel (DIN: 05014980) as Additional Independent Director of the Company with effect from August 25, 2020 under Section 149, 150, 152 of the Companies Act, 2013 and provisions of the Articles of Association of the Company. He shall hold office upto the date of forthcoming Annual General Meeting and is eligible to be appointed as an Independent Director.

The Company has received notice under Section 160 of the Companies Act, 2013 from shareholder of the Company proposing his candidature as Independent Director of the Company. The Company has also received a declaration of independence from the Directors. In the opinion of the Board, he fulfils the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Listing Regulations, of being eligible for appointment as Independent Director.

He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as a Director. A copy of the draft Letter of Appointment for Independent Directors is available for inspection online.

His brief profile, nature of his expertise and the details required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard are provided as annexure to this Notice of AGM.

The remuneration to him in form of sitting fees shall be governed by the Remuneration Policy of the Company. The Board considers that his association would be of immense benefit to the Company and it is desirable to avail expert services as Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Vijay Kumar Goel (DIN: 05014980) for period of 3 (three) consecutive years for the approval by the members of the Company at item no. 3.

Except Mr. Vijay Kumar Goel (DIN: 05014980) himself, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 3 of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

Item No. 4:

Mr. Neeraj Chandra, aged 41 years, second generation entrepreneur joined the Company in 2004. On the progressive performance at various levels, he was promoted as Whole-time Director of the Company with effect from March 01, 2012 with approval of shareholders. Currently, he takes care of domestic as well as international marketing of three-wheelers of the Company.

Shareholders at Thirtieth Annual General Meeting of the Company on September 28, 2018 re-appointed Mr. Neeraj J Chandra as Whole-time Director for a period of three years which expires on March 31, 2021. The Board of Directors of the Company at its meeting held on June 27, 2020 on the recommendation/ approval of Nomination & Remuneration Committee, reappoints Mr. Neeraj Chandra as Whole-time Director of the Company for a period of three years from April 01, 2021 on the current remuneration mentioned herein below, with powers to the

Board to make such variation or increase therein as may be thought fit from time to time, but within the ceiling/s laid down in the Act or any statutory amendment or relaxation thereof.

Current Remuneration and other terms:

His current remuneration is Rs.78,00,000/- per annum including Provident Fund, Super Annulation etc. i.e. Cost To Company basis (He has voluntarily forgone his fifty per cent of remuneration with effect from June 01, 2020 to March 31, 2021 on account of COVID-19 pandemic). The yearly premium of health insurance of himself and his family members upto Rs.40,000/- and yearly premium for personal accident cover upto Rs.20,000/- will be paid by the Company as part of Company policy. Mr. Neeraj Chandra will not be paid any performance linked incentives or stock option.

The Company or the appointee is required to serve the notice period of three months. No severance fees is payable.

The Explanatory Statement may be considered as a written Memorandum setting out terms, conditions and limits of remuneration of Mr. Neeraj Chandra in terms of section 190 of the Act.

The disclosure required under Schedule V to the Companies Act, 2013 are as under:

I. General Information:

(i) Nature of Industry

The Company is in the business of manufacturing and sales of three wheeler automobiles through authorized network of dealers across India and overseas.

(ii) Date or expected date of commencement of commercial production

The Company is incorporated on June 18, 1986 and commenced its operational production.

(iii) Financial performance based on given indicators

Financial performance of the Company for financial year 2019-20 is as under:

Particulars	(Rs. in Lacs)
Turnover	61,751
Net Profit after Tax	5,239
Net Profit After Tax calculated as per Section 198 of the Companies Act, 2013	6,696
Shareholders' Fund as on March 31, 2020	30,325

(iv) Foreign investments or collaborations, if any - None

II. Information about the appointee:

(i) Background details

Please refer brief profile as mentioned above.

(ii) Past remuneration

He was paid remuneration of Rs.78,00,000/- per annum including Provident Fund, Super Annulation etc. i.e. Cost To Company basis from June 01, 2019. Earlier his CTC was Rs.60,00,000/- per annum. He has voluntarily forgone his fifty per cent remuneration from June 01, 2020 to March 31, 2021.

(iii) Recognition or awards - Nil

(iv) 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)

The remuneration being offered to Mr. Neeraj Chandra is commensurate with the job profile, position and the remuneration being offered to the persons with such profile in similar size of the Company in the Industry.

(v) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any

Mr. Neeraj Chandra is son of Mr. Jayantibhai Chandra, Chairman and Managing Director of the Company. He belongs to promoter group of the Company. Besides this, Mr. Neeraj Chandra does not have any pecuniary relationship directly or indirectly with the Company.

III. Other Information

(i) Reasons of loss or inadequate profits

The Company has adequate profit to pay the remuneration to managerial personnel of the Company during financial year 2019-20. The profit of the Company may be inadequate or may incur loss on account of slow demand in coming year(s) due to COVID-19 pandemic.

(ii) Steps taken or proposed to be taken for improvement

The cut in demand of products of the Company is due to overall slowdown in three wheeler industry sales and sluggish demand due to COVID-19 pandemic. Hence, the Company expects that the situation will

improve with improvement in the affected factors as mentioned.

(iii) Expected increase in productivity and profits in measurable terms

Not measurable as of now.

IV. Other Disclosures

The information and disclosures of the remuneration package of all Directors have been mentioned in the Annual Report in Report on Corporate Governance in Annual Report.

Mr. Neeraj Chandra satisfies all the conditions set out in Part-I of Schedule V to the Act and under section 196(3) of the Act for being eligible for this appointment. He is not disqualified from being appointed as Director in terms of section 164 of the Act. He is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

His brief profile, nature of expertise and the details required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard are provided as annexure to this Notice of AGM.

Save and except Mr. Neeraj J Chandra, and his relatives to the extent of their shareholding interest, if any, in the Company and Mr. Jayantibhai J Chandra being father of Mr. Neeraj J Chandra, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 4 of the Notice.

The Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

CHANGE OF REGISTRAR AND SHARE TRANSFER AGENT (RTA) UPON MERGER OF SHAREX DYNAMIC (INDIA) PRIVATE LIMITED WITH LINK INTIME INDIA PRIVATE LIMITED

This is to bring to the notice of all shareholders that Sharex Dynamic (India) Private Limited, Registrar and Share Transfer Agent has been merged with Link Intime India Private Limited vide the order of Regional Director dated July 16, 2020.

Consequent upon this merger, the entity Sharex Dynamic (India) Private Limited ceased to exist and now, Registrar and Share Transfer Agent of the Company is Link Intime India Private Limited (CIN: U67190MH1999PTC118368) whose contact details are as under:

Name : LINK INTIME INDIA PRIVATE LIMITED
Address : C-101, 247 Park,
Lal Bahadur Shastri (LBS) Marg,
Vikhroli West, Mumbai 400 083
Phone : +91 22 4918 6270
Fax : +91 22 4918 6060
E-Mail : rnt.helpdesk@linkintime.co.in
Website : www.linkintime.co.in

Shareholders are requested to communicate on the above mentioned details henceforth.

PROFILE OF DIRECTORS BEING APPOINTED/ RE-APPOINTED

Name of Director	Vijay Kedia	Vijay Kumar Goel	Neeraj J Chandra
DIN	00230480	05014980	00065159
Date of Birth	04/11/1959	24/10/1964	27/05/1979
Date of Appointment	31/01/2009	25/08/2020	01/03/2012
Brief Profile and Expertise in specific field	Dr. Vijay Kedia is an investor in the stock market having experience of more than three decades. He born and brought up in Kolkata joined stock market with zero capital. He has identified many multi-baggers in his investing career. He is expert in capital market, assessing business viability, strategies to lead the business and others as mentioned in Report on Corporate Governance.	Mr. Vijay Kumar Goel is a Chartered Accountant specializing in Project financing (Infrastructure) & Structuring of Organisation with a post Qualification experience of around 30 years. He has worked for various large clients in arranging Large Infrastructure Funding, Working Capital and Private Equity amounting to more than \$ 500 Million. The sectors served are Real Estate, Solar Power, Pharmaceuticals, Health Care & Education. He has special knack for Contracts & Due Diligences (Financial).	Mr. Neeraj Chandra is expert in leading domestic as well as international marketing of three-wheelers of the Company. In addition to three wheeler industry, he has vast experience in managing business of two wheeler and four wheeler dealership also.
Academic Qualification	B.Com. Ph. D.	B.Com (Hons.), CA	Under Graduate
Name of other Companies in which he holds Directorship*	Lykis Limited, Cheers Consumer Products Limited	Nil	Nil
Name of other companies in which he holds Chairmanship/ Membership of Committees of Board	-	-	-
No. of Shares held in Atul Auto Limited	-	-	1,05,118
Relationship with other directors	-	-	Son of Mr. Jayantibhai J Chandra

* Details in this regard exclude directorships held in private limited companies which are not subsidiaries or holding companies of public limited companies, unlimited companies, foreign companies, Companies under Section 8 of Companies Act, 2013.

BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present Thirty Second Annual Report along with the audited financial statements for the financial year ended March 31, 2020.

FINANCIAL RESULTS

The financial performance of the Company on standalone basis for the year ended March 31, 2020 is summarized below:

(₹. in Lacs except EPS)

Particulars	2019-20	2018-19
Revenue from Operations	62,534	66,676
Other Income	314	687
Total Income	62,848	67,363
Operating Costs	55,402	58,528
Profit Before Depreciation, Interest, Exceptional Items and Tax (PBDIT)	7,446	8,835
Depreciation & Amortization Expense	640	554
Profit before Interest, Exceptional Items and Tax	6,806	8,281
Interest	103	86
Exceptional Items	-	-
Profit before Tax (PBT)	6,703	8,195
Tax Expense	1,464	2,883
Profit after Tax (PAT)	5,239	5,312
Other Comprehensive Income	-46	-3
Total Comprehensive Income for the period	5,193	5,309
Opening Balance in Profit and Loss Account	22,137	18,217
Appropriations		
Dividend	603	1,152
Tax on Dividend (DDT)	124	237
Balance carried to Balance Sheet as Retained Earnings	26,603	22,137
Earnings per Share (Rs.)	23.88	24.21

FINANCIAL REVIEW AND HIGHLIGHTS

Though the Company could not maintain its performance during the financial year 2019-20 in compare to previous financial year, the performance of the company was in line with industry. The highlights of the Company's financial performance on Standalone basis for the year ended March 31, 2020 are as under:

- The Company sold 44,082 vehicles in FY 2019-20 in compare to 50,049 in previous year. Thus, sale of the Company declined by 11.92%.
- The Company has achieved turnover of Rs.61,751 Lacs in FY 2019-20.
- Revenue from operations declined by 6.21% to Rs.62,534 Lacs in FY 2019-20 (Previous year Rs.66,676 Lacs)
- Export revenue of the Company remained Rs.4,048 Lacs (Previous year Rs.6,405 Lacs)
- PBDIT of the Company remained Rs.7,446 Lacs (Previous year Rs.8,835 Lacs), declined by 15.72%
- Profit before tax (PBT) remained Rs.6,703 Lacs (Previous year Rs.8,195 Lacs) declined by 18.21%
- Earned Net Profit (PAT) of Rs.5,239 Lacs (Previous year Rs.5,312 Lacs) declined by 1.37%.

Though the year was expected as the challenging one for the whole automobile industry due to transition from BS IV to BS VI, the Company was sure to close the year with growth in profitability compare to last year. But, the impact of COVID-19 pandemic had changed the situation.

The details about future impact of COVID-19 pandemic on economy, industry and the Company has been explained in Management Discussion and Analysis in this Annual Report, whereas its impact of financial performance of FY 2019-20 has been mentioned in Note No. 38 to the financial statements.

The highlights of consolidated results with performance of associate and subsidiary company are described in this report separately.

DIVIDEND

During the financial year 2019-20, the Board of Directors of the Company declared and paid an interim dividend of Rs.1.50 (One Rupee Fifty Paise Only) per equity share of face value of Rs.5.00 (Rupees Five Only) each in the month of November 2019.

Considering the uncertainty of cash inflow due to low demand on account of COVID-19 and future need of the fund for operations of the Company, the Board of Directors of the Company does not declare final dividend for the year ended March 31, 2020.

CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2019-20 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company, its subsidiary and associate company, as approved by the respective Board of Directors.

In accordance with Section 136 of the Act, the financial statements, including consolidated financial statements, if any, auditor's report and every other document required by law to be annexed or attached to the financial statements are available for inspection by the members through online mode by sending an e-mail or at the Registered Office of the Company during business hours on all days except Saturdays, Sundays and public holidays upto the date of the AGM. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including Consolidated financial statements of subsidiaries and all other documents required to be attached to this report have been uploaded on the website of the Company at <https://atulauto.co.in/annual-reports.aspx>.

PERFORMANCE OF SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

Pursuant to provisions of Section 129(3) of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014, a statement containing salient features of the financial statements of the Company's subsidiaries, Associates and Joint Ventures in Form AOC-1 is attached to the consolidated financial statements.

Khushbu Auto Finance Limited

The Company is having an Associate Company namely, Khushbu Auto Finance Limited ("KAFL"), a Non-Banking Finance Company categorized as Investment and Credit Company (NBFC-ICC), earlier Asset Finance Company (AFC). KAFL is primarily in the business of financing of automobile vehicles. KAFL aggressively provides the finance to the customers of Atul Auto Limited in the regions where other financiers are not easily available.

During the financial year 2019-20, KAFL disbursed loan of Rs.9147 Lacs to 5090 customers. The Asset Under Management (AUM) of the Company as on March 31, 2020 was Rs.14,686 Lacs in compare to Rs.13,980 Lacs as on March 31, 2019. During FY 2019-20, the Company has generated operational revenue of Rs.3,265 Lacs in compare to last year of Rs.3,097 Lacs. KAFL has registered Profit before Tax of Rs.437 Lacs in FY 2019-20 in compare to Rs.1,063 Lacs in previous year. The profit after tax declined to Rs.320 Lacs from Rs.764 Lacs in previous year.

KAFL is currently focusing on establishing the network and infrastructure through Direct Branch Operations as well as through Income Distribution Partners (IDPs) and tie-up with Dealers for collection. KAFL has presence in various locations in state of Gujarat, Haryana, Andhra Pradesh, Kerala and Karnataka through Direct Branch Operations/ IDPs.

Atul Green Automotive Private Limited

Atul Auto Limited is having Wholly Owned Subsidiary namely Atul Green Automotive Private Limited with an object of exploring opportunities in providing e-mobility and green energy.

The Company has incorporated it with the initial investment of Rs.1 Lac share capital on February 12, 2018. At the end of Financial Year 2019-20, the Investment in share capital increased to Rs.40 Lacs to meet with fixed expenses including remuneration of employee.

Atul Greentech Private Limited

Atul Auto Limited has incorporated Wholly Owned Subsidiary namely Atul Greentech Private Limited in January, 2020 with an objective of manufacturing battery packs, battery management system, battery charger, tools, equipment, fittings, raw material etc. for the purpose of electric vehicles and various other applications. Considering the reduction in tax and various other benefits available to newly incorporated entities as announced by Government of India in the month of September 2019, the Company has decided to grab the opportunities available into e-mobility and green energy through Atul Greentech Private Limited. The Company was incorporated with the initial equity share capital of Rs.1 Lac which was later increased by Rs.100 Lacs in the financial year 2019-20.

The Company does not have any material subsidiary.

Joint Venture

The Company does not have any joint venture.

LOANS, GUARANTEES AND INVESTMENTS

Particulars of the loans given, investment made or guarantee given pursuant to section 186 of the Companies Act, 2013 and the purpose for which the loan or guarantee or investment is proposed to be utilized by the recipient of the loan or guarantee are provided in Note No. 39 to the Standalone Financial Statements. These loan, guarantee and investments are in compliance with section 186 of the Companies Act, 2013.

No security has been provided during the year 2019-20.

LIQUIDITY

We have continued to maintain debt-free status till fiscal 2020. With increase in investment for installation of Ahmedabad Plant, the liquid assets of the Company reduced from Rs.1892 Lacs on March 31, 2019 to

Rs.106 Lacs as on March 31, 2020. The Company is having sanctioned working capital facilities of Rs.1500 Lacs from IDBI Bank; working capital facilities of USD 3.50 Million and term loan of Rs.9000 Lacs from Export - Import Bank of India which have no utilization as on March 31, 2020 and completely available to meet with future business need.

CAPITAL EXPENDITURE

During financial year 2019-20, the major capital expenditure has been made in plant and building at Bhayla, Ta. Bavla near Ahmedabad for future expansion. The Company incurred total capital expenditure of Rs.14,347 Lacs (including Capital work-in progress and advance for capital goods amounting to Rs.12,457 Lacs) whereas up to previous year, it was Rs. 6,983 Lacs (including Capital-work-in progress and advance for capital goods amounting to Rs.5,710 Lacs).

DIRECTORS AND KEY MANAGERIAL PERSONNEL

During financial year 2019-20, Mr. Hakubhai Lalakiya (DIN: 00357726), Mr. Hasmukhbhai Adhvaryoo (DIN: 06456067) and Mr. Hemantkumar Bhatt (DIN: 02657432) ceased from Directorship of the Company on account of expiry of their term as Independent Director or in compliance with regulation 17(1A) of the SEBI Listing Regulations. The Board has placed on record its deep sense of gratitude and appreciation for their immense contribution, strategic guidance provided during his tenure as an Independent Director and members of various committees of the Company.

To fill these casual vacancies, the Board, on the recommendations of Nomination and Remuneration Committee, appointed Mr. Mohanjit Singh Walia and Dr. Jaichander Swaminathan as Additional Independent Directors with effect from August 10, 2019 and August 26, 2019 respectively. The office of three additional Independent Directors namely Ms. Aarti J Juneja, Mr. Mohanjit Singh Walia and Dr. Jaichander Swaminathan have been regularized with approval of shareholders at Thirty First Annual General Meeting (AGM) of Members held on September 30, 2019.

The term of Dr. Margie S Parikh (DIN: 07056179), Independent Director of the Company expires on August 30, 2020. The Board places on record its deep sense of gratitude and appreciation for her immense contribution, strategic guidance provided during her tenure as an Independent Director and members of various committees of the Company.

On the basis of recommendations of the Nomination and Remuneration Committee, the Board of Directors at its meeting held on August 25, 2020 has appointed Mr. Vijay Kumar Goel (DIN: 05014980) as Independent Director (Additional) of the Company to fill the casual vacancy who will hold office till the ensuing AGM. The Board of Directors on recommendations of Nomination and Remuneration Committee has also proposed the regularization of office of Mr. Vijay Kumar Goel in upcoming AGM. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Director. His brief profile is annexed to the notice of AGM.

Mr. Vijay K Kedia, Director of the Company is liable to retire by rotation at the ensuing AGM in compliance with the provisions of Section 152 of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the Articles of Association of your Company and being eligible has offered himself for reappointment. The Independent Directors of Company are not liable to retire by rotation as per provisions of section 149(13) of the Companies Act, 2013.

All the directors of the Company have confirmed that they are not disqualified from being appointed as directors in terms of Section 164 of the Companies Act, 2013. The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under 149(6) of the Companies Act, 2013 read with Rules issued there under as well as Regulation 16(1)(b) of the Listing Regulations (including any statutory modification(s) or re- enactment(s) for the time being in force). The Board is of the opinion that the Independent Directors of the Company hold highest standards of integrity and possess requisite expertise and experience required to fulfil their duties as Independent Directors.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA). The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 1 (one) year from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. Ms. Aarti J Juneja has cleared the online proficiency self-assessment test whereas the remaining Independent Directors will be undertaking the said test in due course of time.

The details of policy on Directors' Appointment, its remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under subsection (3) of section 178; and performance evaluation has been described in detail in the report on Corporate Governance of the Company which forms and integral part of the report.

There was no change in the Key Managerial Personnel during the year.

NUMBERS OF MEETINGS OF BOARD

The Board met seven times during financial year 2019-20, the details of which are provided in the Corporate Governance Report. The gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI Listing Regulation.

COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

- a. Audit Committee
- b. Nomination and Remuneration Committee
- c. Stakeholders' Relationship Committee
- d. Corporate Social Responsibility Committee

The details of the Committees along with their composition, number of meetings and attendance at the meetings are provided in the Corporate Governance Report.

PERFORMANCE EVALUATION

The Nomination and Remuneration Policy of the Company empowers the Nomination and Remuneration Committee to formulate a process for evaluating the performance of Individual Directors, Committees of the Board and the Board as a whole.

In terms of the requirement of the Companies Act, 2013 and the Listing Regulations, an annual performance evaluation is undertaken. The details of the evaluation process, parameters etc. are set out in the Corporate Governance Report which forms a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134 (5) of the Companies Act, 2013, the Directors, based on the information and representations received from the Board of Directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2020, the applicable accounting standards had been followed and there are no material departures from the same;
- b) they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2020 and of the Profit of the company for that period;
- c) 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 this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they have prepared the annual accounts on a going concern basis; and
- e) they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively during the financial year ended March 31, 2020.
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively throughout the financial year ended March 31, 2020.

MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, outlook, operational performance and state of affairs of your Company.

CORPORATE GOVERNANCE

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with certificate from the Auditors on its compliance forms an integral part of this report.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

M/s. Kamlesh Rathod & Associates, Chartered Accountants (ICAI Firm Registration No. 117930W) were appointed as statutory auditors of the Company at twenty ninth AGM to hold office upto thirty fourth AGM. M/s. Kamlesh Rathod & Associates have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Reports for the financial year ended March 31, 2020 on the financial statements (Standalone and consolidated) of the Company is a part of Annual Report. The auditors' report does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

The Board of Directors of the Company has appointed CS Bunty Hudda

(CP No. 11560) to undertake the Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is set out in Annexure [A] to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Company is not required to get its cost records audited for the financial year 2019-20.

REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditors have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee or Central Government under section 143(12) of the Companies Act, 2013, details of which needs to be mentioned in this Report.

INTERNAL FINANCIAL CONTROLS

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial disclosures.

RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the financial year 2019-20 were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there is no material transaction with any related party during the year under review. The Company complies with the policy on related party transactions while identification and monitoring it.

All transactions with related parties were reviewed and approved by the Audit Committee and are in accordance with the Policy on Related Party Transactions formulated by the Company. There are no materially significant related party transactions that may have potential conflict with interest of the Company at large.

All related party transactions are placed before the Audit Committee as also to the Board for review and approval/ noting. Omnibus approval of the Audit Committee was obtained for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited by Audit Committee and a statement giving details of all related party transactions are placed before the Audit Committee and the Board for review on a quarterly basis.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) - 24 are set out in Note No. 36 to the Standalone Financial Statements of the Company.

EXTRACT OF ANNUAL RETURN

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure [B] to this Annual Report. The Annual Return is also available on the website of the Company at <https://atulauto.co.in/annual-reports.aspx>.

EMPLOYEE AND RELATED DISCLOSURES

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (including any statutory modification(s) or re-enactment(s) for the time being in force).

Details of employee as per Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours, 21 days before the Annual General Meeting and shall be made available to any Shareholder on request. Such details are also available on your Company's website <https://atulauto.co.in/annual-reports.aspx>.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to this report as Annexure [C].

CORPORATE SOCIAL RESPONSIBILITY

Your Company has always laid emphasis on progress with social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, the Company had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities. The Company has undertaken projects in the area of promoting education, promoting health care, ensuring environment sustainability, eradicating hunger and poverty etc. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure [D] and forms an integral part of this Report.

The Board has approved a policy for Corporate Social Responsibility and same has been uploaded on the website at <https://atulauto.co.in/corporate-governance-reports.aspx>.

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy, as part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the Internal Rules/ Code of Conduct of the Company. The details of the same have been described in more depth in Corporate Governance Report.

The Company has established system for reporting, investigation and suitable action in line with the whistle blower policy. The whistle blower Policy is also available on Company's website at [weblink https://atulauto.co.in/corporate-governance-reports.aspx](https://atulauto.co.in/corporate-governance-reports.aspx).

CREDIT RATING

The CRISIL has reaffirmed Company's rating as CRISIL A with stable outlook for cash credit facility of Rs.15 Crores by IDBI Bank Limited and term loan of Rs.90 Crores by Exim Bank. Further CRISIL has assigned rating of CRISIL A1 for Pre and Post-Shipment Credit in Forex of USD 3.50 Million by Exim Bank. The rating continues to reflect the Company's above-average financial risk profile, marked by low gearing, above average debt protection metrics, improving market share, established

distribution network and efficient working capital management.

CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars of conservation of energy, research and development, technology absorption and foreign exchange earnings and outgo in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2020 are annexed to this report as Annexure [E].

RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks help in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board and the Audit Committee. The Company is not required to constitute Risk Management Committee as per regulation 21 of the Listing Regulations.

Some of the risks that the Company is exposed to are: Financial Risk, Commodity Price Risk, Regulatory Risk, Human Resource Risk, Strategic Risk, Pandemic Risk etc.

SECRETARIAL STANDARDS OF ICSI

Pursuant to the approval given on April 10, 2015 by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India (ICSI), the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from July 1, 2015. The Company is in compliance with the same.

INDIAN ACCOUNTING STANDARDS

The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2017. Accordingly, the financial statements have been prepared in compliance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with applicable provisions of the Companies Act, 2013 read with the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"), all unclaimed dividends are required to be transferred by the Company to IEPF, after completion of seven (7) years. Further, according to IEPF Rules, the shares on which dividend has not been claimed by the shareholders for seven (7) consecutive years or more shall be transferred to the demat account of the IEPF Authority. The details relating to amount of dividend transferred to IEPF is provided in the General Shareholders Information section of this Annual Report.

OTHER DISCLOSURES

Few statutory disclosures the Company is required to do are as under:

- The paid up equity share capital as at March 31, 2020 stood at Rs.1097 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2020, none of the

Directors of the Company hold instruments convertible into equity shares of the Company.

- The Board of Director of the Company does not propose any amount for transfer to the reserve for the financial year ended March 31, 2020.
- During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).
- The Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not applicable.
- The Managing Director of the Company has not received any remuneration or commission from any of Company's subsidiaries;
- There has been no instance of any revision in the Board's Report or the financial statement under Section 131(1) of the Act.
- During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Company has complied with the provisions of it.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There have been no material changes /commitments, affecting the

financial position of the company which have occurred between end of the financial year of the company to which the financial statements relate and the date of the report. There has been no changes in the nature of the business of the Company.

- All the recommendations made by the Audit Committee were accepted by the Board of Directors.
- The Company does not have any scheme or provision of money for the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors.

APPRECIATION

Your Directors wish to convey their gratitude and place on record their appreciation for all the employees at all levels for their hard work, solidarity, cooperation and dedication during the year.

Your Directors sincerely convey their appreciation to customers, shareholders, vendors, bankers, business associates, regulatory and government authorities for their continued support.

For and on behalf of the Board of
Atul Auto Limited

(Jayantibhai J Chandra)

Chairman and Managing Director
[DIN: 00057722]

Shapar (Dist. Rajkot)
August 25, 2020

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
ATUL AUTO LIMITED
Survey No. 86, Plot No. 1 to 4,
8B National Highway,
Near Microwave Tower,
Shapar (Veraval), Dist. Rajkot,
Gujarat, INDIA 360024

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Atul Auto Limited (CIN: L54100GJ1986PLC016999) (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended March 31, 2020 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital

and Disclosure Requirements) Regulations, 2018; (Not Applicable to the Company as there was no reportable event during the Audit period under review)

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company as there was no reportable event during the Audit period under review)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company as there was no reportable event during the Audit period under review)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client; (Not applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review)
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company as there was no reportable event during the Audit period under review)
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company as there was no reportable event during the Audit period under review);
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

- (a) The Motor Vehicles Act, 1988 and the Rules made thereunder to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by the Company
- (b) The Batteries (Management and Handling) Rules, 2001
- (c) The Petroleum Act, 1934 and the Rules made thereunder
- (d) The Ozone Depleting Substances (Regulation and Control) Rules, 2000 and The Ozone Depleting Substances (Regulation and Control) Amendment Rules, 2001
- (e) The Plastic Manufacture, Sale and Usage Rules, 1999
- (f) The Essential Commodities Act, 1955

- (g) The Motor Transport Workers Act, 1961
- (h) The Explosive Act, 1884
- (i) The Environment (Protection) Act, 1986
- (j) The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- (k) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
- (l) Safety standards by Automotive Industry Standard Committee & Bureau of Indian Standards

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that -

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including Woman Director.
- (b) Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least

seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

- (c) All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committees of the Board, as the case may be.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, the company has not undertaken any event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For Bunty Hudda & Associates
Practising Company Secretaries

(CS Bunty Hudda)

ACS: 31507

COP: 11560

UDIN: A031507B000424174

Shapar (Dist. Rajkot)

July 07, 2020

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2020

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

- A. CIN : L54100GJ1986PLC016999
- B. Registration Date : June 18, 1986
- C. Name of the Company : Atul Auto Limited
- D. Category/ Sub-Category of the Company : Public Company/ Limited by shares
- E. Address of the Registered office and contact details : Survey No. 86, Plot No. 1 to 4,
8B National Highway,
Near Microwave Tower,
Shapar (Veraval),
Dist. Rajkot, Gujarat,
INDIA 360024
Phone: 02827 235500
E-Mail: investorrelations@atulauto.co.in
- F. Whether listed company : Yes/ No
- G. Name, Address and Contact details of Registrar and Transfer Agent, if any : Link Intime India Private Limited
C101, 247 Park, LS Marg,
Vikhroli (West), Mumbai,
Maharashtra, INDIA 400083
Phone: 022 4918 6270
E-Mail: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company are as under:

Sr. No.	Name and Description of main products/ services	NIC Code of the product/ service	% of total turnover of the company
1	Three Wheeler Automobiles	30912	95.55%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Khushbu Auto Finance Limited Address: C/o New Chandra Motor Cycle House, Opp. Town Hall, Jamnagar - 361001 (Gujarat)	U74999GJ1994PLC022816	Associate	30.00%	2(6)
2	Atul Green Automotive Private Limited Address: Survey No. 86, Plot No. 1 to 4, Near Microwave Tower, 8B National Highway, Shapar (Veraval), Dist. Rajkot, Gujarat 360024	U74999GJ2018PTC100815	Subsidiary	100.00%	2(87)
3	Atul Greentech Private Limited Address: C/o. Atul Auto Limited, Survey No. 86, Plot No. 1-4, Near Microwave Tower, 8B National Highway, Shapar (Veraval), Dist. Rajkot, Gujarat 360024	U31909GJ2020PTC112350	Subsidiary	100.00%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoters										
(1) Indian										
(a) Individual	11563810	0	11563810	52.699	11563810	0	11563810	52.699	0.000	
(b) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000	
(c) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000	
(d) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000	
(e) Banks/ FIs	0	0	0	0.000	0	0	0	0.000	0.000	
(f) Any Other	0	0	0	0.000	0	0	0	0.000	0.000	
Sub-total (A) (1)	11563810	0	11563810	52.699	11563810	0	11563810	52.699	0.000	
(2) Foreign										
(a) NRI - Individuals	0	0	0	0.000	0	0	0	0	0.000	
(b) Other Individuals	0	0	0	0.000	0	0	0	0	0.000	
(c) Bodies Corp.	0	0	0	0.000	0	0	0	0	0.000	
(d) Banks/ Fis	0	0	0	0.000	0	0	0	0	0.000	
(e) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0	0.000	
(f) Any Other Specify	0	0	0	0.000	0	0	0	0	0.000	
Sub-total (A) (2)	0	0	0	0.000	0	0	0	0	0.000	
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	11563810	0	11563810	52.699	11563810	0	11563810	52.699	0.000	
B. Public Shareholding										
1. Institutions										
(a) Mutual Funds	3031081	0	3031081	13.813	2901050	0	2901050	13.221	-0.592	
(b) Banks / FI	13086	0	13086	0.060	29734	0	29734	0.136	0.076	
(c) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000	
(d) State Govt.	0	0	0	0.000	0	0	0	0.000	0.000	
(e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000	
(f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000	
(g) FIs	30204	0	30204	0.138	0	0	0	0.000	-0.138	

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2019				No. of Shares held at the end of the year 31.03.2020				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
(j) Alternate Inv Fund	1025669	0	1025669	4.674	1107024	0	1107024	5.045	0.371
Sub-total (B)(1)	4100040	0	4100040	18.685	4037808	0	4037808	18.401	-0.284
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	709248	0	709248	3.232	655161	0	655161	2.986	-0.246
(ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3317386	110442	3427828	15.621	3420656	79242	3499898	15.950	0.329
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	690125	0	690125	3.145	852255	0	852255	3.884	0.739
(c) Other (specify)									
Non Resident Indians	868020	417428	1285448	5.858	942098	135180	1077278	4.909	-0.949
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Nationals	951	0	951	0.004	651	0	651	0.003	-0.001
Clearing Members	40588	0	40588	0.185	123727	0	123727	0.564	0.379
Trusts	0	0	0	0.000	11000	0	11000	0.050	0.050
Foreign Boodies - D R	0	0	0	0.000	0	0	0	0.000	0.000
NBFCS Reg With RBI	525	0	525	0.002	0	0	0	0.000	-0.002
HUF	102379	0	102379	0.468	100674	0	100674	0.459	-0.009
IEPF	22258	0	22258	0.101	20938	0	20938	0.095	-0.006
Sub-total (B)(2)	5751480	527870	6279350	28.616	6127160	214422	6341582	28.900	0.284
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9851520	527870	10379390	47.301	10164968	214422	10379390	47.301	0.000
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.000
Grand Total (A+B+C)	21415330	527870	21943200	100.000	21728778	214422	21943200	100.000	0.000

ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changes in share holding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/encumbered to total shares	
1	Jayantibhai Jagjivandas Chandra	1351742	6.160	0	1351742	6.160	0	0
2	Mahendrakumar Jamnadas Patel	277848	1.266	0	277848	1.266	0	0
3	Maheshbhai Jagjivandas Chandra	1969242	8.974	0	1969242	8.974	0	0
4	Dharmendrabhai Jagjivandas Chandra	1267326	5.776	0	1267326	5.776	0	0
5	Harishbhai Jagjivandas Chandra	1164786	5.308	0	1164786	5.308	0	0
6	Bharat Jagjivandas Chandra	975906	4.447	0	975906	4.447	0	0
7	Manishaben Atulkumar Chandra	932220	4.248	0	932220	4.248	0	0
8	Ramaben Jamnadas Patel	315488	1.438	0	315488	1.438	0	0
9	Prafullaben Jayantibhai Chandra	269686	1.229	0	269686	1.229	0	0
10	Rekhaben Maheshbhai Chandra	255300	1.164	0	255300	1.164	0	0
11	Ushaben Dharmendrabhai Chandra	244274	1.113	0	244274	1.113	0	0
12	Vasantraai Kurjibhai Patel	228000	1.039	0	228000	1.039	0	0
13	Chetankumar Vasantraai Patel	220536	1.005	0	220536	1.005	0	0
14	Harshaben Harishbhai Chandra	211800	0.965	0	211800	0.965	0	0
15	Krunal J. Chandra	202650	0.924	0	202650	0.924	0	0
16	Manjulaben Vasantraai Patel	191304	0.872	0	191304	0.872	0	0
17	Ramaben Dayalal Patel	161504	0.736	0	161504	0.736	0	0
18	Hetal Alpesh Chandra	153720	0.701	0	153720	0.701	0	0
19	Alpesh Bharatbhai Chandra	146160	0.666	0	146160	0.666	0	0
20	Kapilaben Bharatbhai Chandra	141504	0.645	0	141504	0.645	0	0
21	Hiren Vasantraai Patel	138960	0.633	0	138960	0.633	0	0
22	Ashokkumar Jamnadas Patel	136944	0.624	0	136944	0.624	0	0
23	Anita Neerajbhai Chandra	131000	0.597	0	131000	0.597	0	0
24	Krishnaben Chetankumar Patel	127368	0.580	0	127368	0.580	0	0
25	Minaben Ashokkumar Patel	121712	0.555	0	121712	0.555	0	0
26	Manishaben Mahendrakumar Patel	121712	0.555	0	121712	0.555	0	0
27	Neeraj Jayantibhai Chandra	105118	0.479	0	105118	0.479	0	0

iii) Change in Promoters' Shareholding

There is no change in the Promoters' Shareholding during the financial year 2019-20.

iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Name	No. of Shares at the beginning/ end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company	
1	HDFC Small Cap Fund	1216635	5.544	01-04-2019					
	Closing Balance			31-03-2020		No Change	1216635	5.544	
2	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Small Cap Fund	841188	3.833	01-04-2019					
				24-01-2020	186011	Buy	1027199	4.681	
				28-02-2020	10655	Buy	1037854	4.730	
	Closing Balance			31-03-2020			1037854	4.730	
3	HDFC Trustee Company Ltd - A/C HDFC Hybrid Equity Fund	581386	2.649	01-04-2019					
	Closing Balance			31-03-2020		No Change	581386	2.649	
4	Sundaram Alternative Opportunities Fund - Nano Cap Series I	427003	1.946	01-04-2019					
	Closing Balance			31-03-2020		No Change	427003	1.946	
5	Kedia Securities Private Limited	253451	1.155	01-04-2019					
	Closing Balance			31-03-2020		No Change	253451	1.155	
6	Emkay Emerging Stars Fund	153920	0.701	01-04-2019					
				05-07-2019	3308	Buy	157228	0.717	
				12-07-2019	16067	Buy	173295	0.790	
				19-07-2019	28984	Buy	202279	0.922	
				26-07-2019	18641	Buy	220920	1.007	
	Closing Balance			31-03-2020			220920	1.007	
7	Vinodkumar Harakchand Daga	0	0.00	01-04-2019					
				06-12-2019	118781	Buy	118781	0.541	
				06-03-2020	85970	Buy	204751	0.933	
	Closing Balance			31-03-2020			204751	0.933	
8	Dayalal Gordhandas Patel	180969	0.825	01-04-2019					
	Closing Balance			31-03-2020		No Change	180969	0.825	
	9	Ashmore India Opportunities Fund	236441	1.078	01-04-2019				
					07-06-2019	-1416	Sold	235025	1.071
					20-12-2019	-4000	Sold	231025	1.053
					07-02-2020	-10008	Sold	221017	1.007
					14-02-2020	-19563	Sold	201454	0.918
			21-02-2020	-44474	Sold	156980	0.715		
Closing Balance			31-03-2020			156980	0.715		
10	Sundaram Alternative Opportunities Fund - Nano Cap Series II	135982	0.620	01-04-2019					
	Closing Balance			31-03-2020		No Change	135982	0.620	

Sr. No	Name	No. of Shares at the beginning/ end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
11	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Dividend Yield Fund	175219	0.799	01-04-2019				
				26-04-2019	-4000	Sold	171219	0.780
				17-05-2019	-2200	Sold	169019	0.770
				24-05-2019	-28200	Sold	140819	0.642
				31-05-2019	-11371	Sold	129448	0.590
				07-06-2019	-21000	Sold	108448	0.494
				17-01-2020	-1700	Sold	106748	0.486
				24-01-2020	-14100	Sold	92648	0.422
				07-02-2020	-10251	Sold	82397	0.376
				14-02-2020	-24142	Sold	58255	0.265
	Closing Balance			21-02-2020	-58255	Sold	0	0

v) Shareholding of Directors and Key Managerial Personnel

Sr. No	Name	Shareholding at the beginning of the year 01.04.2019		Date	Increasing/ Decreasing in shareholding	Reason	Cumulative Shareholding at the end of the year 31.03.2020	
		No. of shares at the beginning	% of total shares of the company				No. of shares	% of total shares of the company
1	Jayantibhai J Chandra <i>Chairman and Managing Director</i>	1351742	6.160		No change		1351742	6.160
2	Mahendra J Patel <i>Whole-time Director & CFO</i>	277848	1.266		No change		277848	1.266
3	Neeraj J Chandra <i>Whole-time Director</i>	105118	0.479		No change		105118	0.479
4	Vijay K Kedia <i>Non-Executive Director</i>	0	0.000		No change		0	0.000
5	Margie S Parikh <i>Independent Director</i>	0	0.000		No change		0	0.000
6	Aarti J Juneja <i>Independent Director</i>	0	0.000		No change		0	0.000
7	Mohanjit Singh Walia <i>Independent Director</i>	0	0.000		No change		0	0.000
8	Jaichander Swaminathan <i>Independent Director</i>	0	0.000		No change		0	0.000
9	Paras J Viramgama <i>Company Secretary & Compliance Officer</i>	0	0.000		No change		0	0.000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

Particulars	Secured Loans excluding deposits*	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				

* Working Capital Demand Loan (WCDL) of USD 300,000 obtained and fully paid back to Export-Import Bank of India during FY 2019-20 has not been considered being short-term finance in nature

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the Financial Year 2019-20:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (Rs.)
		J J Chandra (Chairman and Managing Director)	M J Patel (Whole-time Director and CFO)	Niraj J Chandra (Whole-time Director)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,57,42,000	1,36,64,000	75,00,000	3,69,06,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0	0	0
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission as % of profit others, specify...	0	0	0	0
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	1,57,42,000	1,36,64,000	75,00,000	3,69,06,000
	Ceiling as per the Act (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				7,06,59,349

B. Remuneration to other directors

Sl. No.	Name of Directors	Particulars of Remuneration			Total Amount (Rs.)
		Fee for attending Board/ Committee meetings	Commission	Others, Please Specify	
1.	Independent Directors				
a.	Margie S Parikh	1,88,000	--	--	1,88,000
b.	Aarti J Juneja	1,80,000	--	--	1,80,000
c.	Mohanjit Singh Walia	58,000	--	--	58,000
d.	Jaichander Swaminathan	51,000	--	--	51,000
e.	Hakubhai Lalakiya	87,000	--	--	87,000
f.	Hasmukhbhai Adhvaryoo	36,000	--	--	36,000
g.	Hemantkumar Bhatt	29,000	--	--	29,000
				Total (1)	6,29,000
2.	Other Non-Executive Directors				
a.	Vijay K Kedia	45,000	--	--	45,000
				Total (2)	45,000
				Total (B) = (1) + (2)	6,74,000
	Total Managerial Remuneration (A + B)				3,75,80,000
	Overall ceiling as per the Act (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				7,77,25,248

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,82,080
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission as % of profit others, specify...	0
5	Others, please specify	NIL
	Total	6,82,080

Note:

- No one has been designated as CEO in the Company.
- Mr. Mahendra J Patel, Whole-time Director has been designated as Whole-time Director and CFO of the Company whose remuneration has been provided in VI (A) above.

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

NIL

Statement of Disclosures under Section 197 of the Companies Act, 2013 and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2019-20, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2019-20 are as under:

Sr No	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration [#]
1	Jayantibhai J Chandra	Chairman and Managing Director	77.67	14.24%
2	Mahendra J Patel	Whole-time Director & CFO	67.42	14.25%
3	Neeraj J Chandra	Whole-time Director	37.00	27.99%
4	Vijay K Kedia	Non-Executive Director	0.22	5.88%
5	Margie Parikh	Independent Director	0.93	29.21%
6	Aarti Juneja	Independent Director	0.89	\$
7	Mohanjit Singh Walia	Independent Director	0.29	\$
8	Jaichander Swaminathan	Independent Director	0.25	\$
9	Hakubhai Lalakiya	Independent Director	0.43	\$
10	Hasmukhbhai Adhvaryoo	Independent Director	0.18	\$
11	Hemantkumar Bhatt	Independent Director	0.14	\$
12	Paras J Viramgama	Company Secretary and Compliance Officer	3.37	19.00%

\$ Percentage increase in remuneration is not reported since the Directors were on the Board only for part of the current/ previous financial year.

Percentage increase/decrease in remuneration and ratios for Independent Directors may not be relevant since they are calculated on the basis of sitting fees paid which primarily depend upon number of meetings held and attended during the financial year.

- (ii) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:

The median remuneration of employees of the Company during the Financial Year was Rs.2,02,680/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.

- (iii) The percentage increase in the median remuneration of employees in the Financial Year

In the financial year 2019-20, there was an increase of 5.52% in the median remuneration of employees.

- (iv) The number of permanent employees on the rolls of Company:

There were 993 permanent employees on the rolls of the Company as on March 31, 2020.

- (v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last

Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration

Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2019-20 was 12.15% whereas there was an increase of 18.82% in the managerial remuneration during FY 2019-20. The higher rate of increase in percentage of managerial remuneration is due to increase of 27.99% in remuneration of Mr. Neeraj J Chandra considering additional responsibility of leading domestic market affairs of the Company in addition to existing portfolio of leading international market.

The remuneration of Non-Executive Director and Independent Directors consist of sitting fees only. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. were taken into consideration.

- (vi) Affirmation that the remuneration is as per the remuneration policy of the company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

ANNUAL REPORT ON CSR ACTIVITIES for the financial year ended on March 31, 2020

[Pursuant to section 135 of the Companies Act, 2013 and rule 8(1) of the Companies
(Corporate Social Responsibility Policy) Rules, 2014]

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects

The guiding principle behind our approach to see Corporate Social Responsibility is "Together We Grow". Through the CSR initiatives, the Company strives to provide equitable opportunities for sustainable growth, thereby aligning with our goal to build Atul Auto into an organization which maximizes Stakeholder Value. The Company engages in activities whereby business further contributes to make a positive and distinguishing impact on the environment, customers, employees, suppliers, and Society at large.

Our CSR Policy focuses on Education, Health, Promotion of National Culture, Environment Sustainability and Eradicating Hunger and Poverty.

Education

In the area of education, the Company continues to focus on providing good infrastructure and equipment of learning whereby creating the platform to grow. The Company aims at making a positive impact on society through educational development directly and through its partners.

Health

With the growing population, sanitation and healthcare have become central to India's development agenda. By directing resources towards access to healthcare and hygiene, we look to support interventions that include Primary Healthcare Support, Free Medical Camps for Rural Communities, Setting up of Rehabilitation Centres, Yoga Centres, Development of Hospitals, Provision of Mobile Medical Units and Ambulances, providing access to Safe Drinking Water, healthcare support through Localized Medical Camps, etc.

Promotion to Culture/ Art

Arts and culture do not only form our frames of reference, our ways of thinking and our relationships to the past, the present and the future but form also the pivot upon which humankind's development revolves. The Company contributes to setting up of handikrafts units, award ceremony which encourages people for promotion of their art and culture.

Environmental Sustainability

Environmental sustainability has now turned into the key issues for corporate economic growth, environmental management and community development. Ignoring environmental problems can lead to degradation and depletion of natural resources which could prove detrimental to both the corporate sector business and the society. The Company put their attempts to plant more and more tree nearby its vicinity and cleanliness.

Eradicating Hunger and Poverty

India is the fastest growing large economy in the world today. Despite this, one in every five Indians is poor. The first consequence of being poor is hunger. The Company has aim to minimize hunger and poverty at best possible level. The Company's activities include distribution of free meals and other household things to poor people mostly children and women. It also includes support in disaster preparedness and rehabilitation activities like Reconstruction efforts through retrofitting, improvements, shelter construction and distribution of foods, clothes etc.

Measures for the benefit of war widows and their dependents

Given its size, geo-strategic location and potential to grow as a super power economy, India has to protect itself from cross border attacks, terrorism and infiltration. The forces are very much active and supportive in every other adversity be it disaster, floods, earthquakes, cyclones or rescue operations. The Company explores various avenues to support and honour the supreme sacrifice made by the armed forces and their families to the country by caring for the widows and dependents of armed forces.

The Company belongs to the Saurashtra Region of Gujarat State. Saurashtra region comprises eleven districts of the state, Rajkot district is one of them where the Company is situated. The Company gives priority to this Saurashtra Region for CSR Expenditure.

The detailed CSR Policy of the Company can be accessed through web-link: <https://atulauto.co.in/corporate-governance-reports.aspx>.

2. The Composition of the CSR Committee as on March 31, 2020:

Mr. Jayantibhai J Chandra	Chairman
Ms. Margie S Parikh	Member
Ms. Aarti J Juneja	Member
Mr. Mohanjit Singh Walia	Member

Mr. Paras Viramgama acts as Secretary to the Committee.

3. Average net profit of the Company for last three financial years :Rs.69,23,32,388/-
4. Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above) :Rs.1,38,46,648/-
5. Details of CSR spent during the financial year
 - a. Total amount to be spent for the financial year 2019-20 : Rs. 1,38,46,648/-
 - b. Amount unspent, if any : None
 - c. Manner in which the amount spent during the financial year :As detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs were undertaken	Amount outlay (budget) project or programs wise (₹)	Amount spent on the projects or programs (₹)	Cumulative expenditure up to the reporting period (₹)	Amount spent: Direct or through implementing agency
1	Providing Free Meals to Poor People especially Children, Women etc. and Distribution of Food Packets and other items during Flood and Other Natural Disaster	Eradicating hunger, poverty	Saurashtra Region, Gujarat	65,00,000	60,00,000	1,13,00,000	Through implementing agency
2	Promoting education by providing educational materials, setting up of libraries, scholarships, coaching classes, computer hardware and software for smart classes including education for differently abled children	Promoting Education	Saurashtra Region, Gujarat	15,00,000	11,80,000	17,10,000	Through implementing agency
3	Prevention of diseases - Health Check-up, Health Awareness Camp, Distribution of Vaccine Providing Infrastructure like Yoga/Meditation Centre etc.	Promoting Preventive Healthcare	Saurashtra Region, Gujarat	5,00,000	3,52,000	3,52,000	Through implementing agency
4	Promoting national heritage, Traditional art and Handicrafts	Promotion of Culture	Saurashtra Region, Gujarat	25,00,000	25,00,000	27,51,000	Through implementing agency
5	Promoting Cleanliness	Ensuring Environment Sustainability	Saurashtra Region, Gujarat	25,00,000	25,81,628	25,81,628	Through implementing agency
			Total	1,60,00,000	1,50,61,628	2,14,94,628	

* Details of Implementing Agency: Atul Chandra Charitable Trust, Lok Seva Samaj Trust, Rupaytan - Junagadh, Meenraj J N B Edu. & Cha. Trust, Hope Welfare Foundation, Tatpadam Upavan, Juvenile Diabetes Foundation, NeoRajkot Foundation, HCG Foundation.

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof - Not Applicable

7. A responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

Details of Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

[Pursuant to Section 134 of the Companies Act, 2013 and Rule 8(3) of the Companies (Accounts) Rules, 2014]

A. Conservation of Energy

Your Company is committed to follow responsible business practices by contributing to environmental conservation and protection. The Company has always been conscious of need for conservation of energy. Energy conservation measures have been implemented at plant and more efforts are continuously made by the Company to minimize wastages and reduce the consumption rate of power per unit of production. Your Company ensures strict compliance with all the statutory requirements, and has taken various initiatives for energy conservation and preserving natural resources like replacing conventional lights with LED lights, use of renewable energy etc. The consumption of units of electricity per vehicle increased from 90.40 units in FY 2018-19 to 94.32 units in FY 2019-20.

Particulars	2019-20	2018-19
Electricity purchased (Units)	40,94,370	45,34,220
Amount (Rs.)	3,52,53,654	3,67,19,074
Production in no.	43,408	50,153
Unit consumed per unit of production	94.32	90.40

The Company is maintaining a wind turbine (KW 600) at village Gandhvi (Lamba), Ta. Kalyanpur in Jamnagar District for utilizing renewable energy.

The Company makes investment of revenue nature for conservation of energy on regular basis. No separate capital investment has been made for energy conservation during the year.

B. Technology Absorption

Your Company continues to derive sustainable benefit from the strong foundation and long tradition of R&D which differentiates it from others. New models, variants, processes and benefits flow from work done in various R&D Centre. The R&D of the Company based at Pune work closely with the business to create exciting innovations that help us win with our consumers. During the year under review, your Company continued to work on technology upgradation and capability development in the critical areas of Powertrain, Gasoline Engines, Transmission, CED, Simulations, Emission, Safety, Weight reduction, Alternate fuels, Automotive electronics and Connected Vehicles. These technology focus areas are important to stay competitive in the market today and in the times to come.

To serve the customers with better, innovative and latest technology product, the Company has invested good amount in R&D activities in financial year 2019-20. The figures of the same are as under:

Particulars	(₹ in Lacs)	
	2019-20	2018-19
Revenue expenditure	433.55	209.37
Capital expenditure	10.66	Nil
Total	444.21	209.37

The Company gets benefits in the form of upgradation of the existing products on utilization of latest technology.

The Company has imported following technology for the product improvement in last three financial years:

Sr. No.	Technology Imported	Year of Import	Status
1	Horizontal Machining Center for machining of parts	2018	Technology Absorbed
2	Vertical Machining Center for machining of parts	2018	Technology Absorbed
3	Indimicro 602 (Indicating System) for engine testing	2019	Technology Absorbed
4	Vehicle engine gas emission checking	2020	Technology Absorbed
5	Horizontal Machining Center for machining of parts	2020	Installation under process on March 31, 2020

Future Plan of Action

The Company is investing further in people and equipment so as to strengthen its R&D and thereby enhance its capability to face the future. In the future, we will continue following more innovative, environment-friendly and practical automobile vehicles considering changes in market trends.

C. Foreign Exchange Earnings and Outgo

As part of its core strategy, the Company is tapping on export markets where our product is suitable to the needs of the customers. During the year, 6.56% of our revenues were derived from export. The Company is taking further steps to widen its international marketing network.

Foreign exchange earnings and outgoes during the year under review are as under:

Particulars	(₹ in Lacs)	
	2019-20	
Earning	3250	
Expenditure	683	
Net Foreign Exchange Earning (NFE)	2,567	
NFE/Earning (%)	78.98%	

REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

At Atul Auto, Good corporate governance is considered essential to achieve long term corporate goals and enhance stakeholders' value. The Company firmly takes Corporate Governance as a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfils the public trust and confidence. It is not just a compliance with laws, instead it is important business investment which is not only necessary to preserve Company's reputation but also crucial for obtaining and retaining the business.

The Company has adopted the values of good governance, sustainability and teamwork to create long-term value for its stakeholders. The practice of responsible governance has enabled it to achieve sustainable growth, while meeting the aspirations of its stakeholders and fulfilling societal expectations. Leveraging the principles of integrity, execution excellence, customer orientation and leadership in an ethical manner, the Company continues to take the necessary steps towards growth and to enhance value for its shareholders. The sound governance processes and systems guide the Company on its journey towards continued success.

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given herein below:

A. BOARD OF DIRECTORS

The Board of Directors ('the Board') has ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Company is headed by the Chairman and Managing Director and has business / functional heads, which look after the management of the day-to-day affairs of the Company.

BOARD COMPOSITION

The Board of the Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising Independent Directors. As on March 31, 2020, the Board comprise of Eight Directors comprising three Executive Directors (including Chairman), one Non-Executive Director and Four Independent Directors (including Two Women Directors). All three Executive Directors are Promoters/ Promoter Group Members. There is no Nominee or Shareholders' Director on the Board of the Company.

The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board has put in place the plans for orderly succession for appointment to the Board and senior management. As part of its succession planning exercise, it reviews its composition periodically to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

On an annual basis, the Company obtains from each Director details of the Board and Board Committee positions he / she occupies in other Companies and changes, if any, regarding their Directorships. Further, all Directors provide an annual confirmation that they do not attract any disqualification as prescribed under section 164 of the Companies Act, 2013 and Independent Directors confirm annually that they meet the criteria of independence as defined under Section 149(6) of the Companies Act, 2013 and Listing Regulations. Based on the confirmation / declarations received from the Independent Directors and on evaluation of the relationships disclosed, the Board is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) AND OTHER DETAILS AS ON MARCH 31, 2020

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s)/ Chairmanship(s), date of joining the Board and their shareholding in the Company as on March 31, 2020 are provided herein below:

DIN	Name of Director	Date of Joining the Board	No. of shares held in the Company	No. of Directorship in other Companies*	Names of Other Listed Entity (Type of Directorship)	Chairmanship/Membership on Committees in other Companies [#]	Inter-Se Relations
Executive Directors							
00057722	Jayantibhai J Chandra <i>Chairman & Managing Director</i>	18.06.1986	13,51,742	-	-	-	Father of Mr. Neeraj J Chandra
00057735	Mahendra J Patel <i>Whole-time Director & CFO</i>	30.11.1994	2,77,848	-	-	-	-
00065159	Neeraj J Chandra <i>Whole-time Director</i>	01.03.2012	1,05,118	-	-	-	Son of Mr. Jayantibhai J Chandra
Non-Executive Non-Independent Director							
00230480	Vijay K Kedia	31.01.2009	-	2	Lykis Limited (Non-Executive Non-Independent Director & Chairman)	-	-
Independent Directors							
07056179	Margie S Parikh	19.01.2015	-	-	-	-	-
06872059	Aarti J Juneja	09.02.2019	-	-	-	-	-
08535435	Mohanjit Singh Walia	10.08.2019	-	-	-	-	-
08537472	Jaichander Swaminathan	26.08.2019	-	-	-	-	-

* Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

Includes only Audit Committee and Stakeholders' Relationship Committee.

The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS & TENURE

The Directors of the Company are appointed / re-appointed by the Board after considering the recommendations of the Nomination and Remuneration Committee, results of performance evaluation. All Directors, except Independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re- appointment. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

Pursuant to section 152(6) of the Companies Act, 2013, the term of office of Mr. Vijay K Kedia is liable to retire by rotation. Being eligible, he offers himself for reappointment. This has been put up as one of the agenda items in the Notice of ensuing Annual General Meeting for the voting by shareholders.

During financial year 2019-20, Mr. Hakubhai Lalakiya, Mr. Hasmukhbhai Adhvaryoo and Mr. Hemantkumar Bhatt ceased from Directorship of the Company on account of expiry of their term as Independent Director or in compliance with regulation 17(1A) of the SEBI Listing Regulations. To fill these casual vacancies, the Board, on the recommendations of Nomination and Remuneration Committee, appointed Mr. Mohanjit Singh Walia and Dr. Jaichander Swaminathan as Additional Independent Directors with effect from August 10, 2019 and August 26, 2019 respectively. The office of three additional Independent Directors namely Ms. Aarti J Juneja, Mr. Mohanjit Singh Walia and Dr. Jaichander Swaminathan have been regularized with approval of shareholders at Thirty First Annual General Meeting (AGM) of Members held on September 30, 2019.

The terms of Dr. Margie S Parikh, Independent Director of the Company expires on August 30, 2020. To fill the vacancy, Nomination and Remuneration Committee of the Company had been hunting for the

right candidate. The Board of Directors in his Meeting Dated August 25, 2020, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Vijay Kumar Goel (DIN: 05014980), as Additional Independent Director of the Company with effect from August 25, 2020. The Additional Independent Director shall hold the office till the upcoming AGM. With recommendation of Nomination and Remuneration Committee, the Board has recommended the regularization of office of Mr. Vijay Kumar Goel (DIN: 05014980) as Independent Director in ensuing AGM for approval of shareholder. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Independent Director. His brief profile is annexed to the notice of AGM.

In accordance with the provisions of Regulation 26(5) and 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board businesses. The tentative date of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meetings.

Seven Board Meetings were held during the year. The details of attendance of the Directors are given below:

Name of Director	Board Meeting Dates and Attendance							Last AGM Date and Attendance
	May 25, 2019	July 20, 2019	August 10, 2019	August 26, 2019	November 11, 2019	February 13, 2020	March 16, 2020	September 30, 2019
J J Chandra	Y	N	Y	Y	Y	Y	Y	Y
Mahendra J Patel	Y	Y	Y	Y	Y	Y	Y	Y
Neeraj J Chandra	Y	Y	Y	Y	Y	Y	Y	Y
Vijay K Kedia	Y	N	Y	N	N	Y	N	N
Margie Parikh	Y	N	Y	Y	Y	Y	Y	Y
Aarti Juneja	Y	N	Y	N	Y	Y	Y	Y
Mohanjit Singh Walia	NA	NA	Y	N	N	Y	N	N
Jaichander Swaminathan	NA	NA	NA	Y	N	Y	N	N
Hakubhai Lalakiya	Y	Y	Y	NA	NA	NA	NA	NA
Hasmukhbhai Adhvaryoo	Y	Y	NA	NA	NA	NA	NA	NA
Hemant Bhatt	Y	N	N	NA	NA	NA	NA	NA

Y: Attended, N: Not Attended, NA: Not on the Board

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

BOARD PROCEDURES

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by CFO/ President - Finance is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The Company provides the information as set out in Regulation 17 read with Part-A of Schedule II of Listing Regulations to the Board and the Board Committees to the extent it is applicable and relevant. The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

The Company Secretary attends the Board and Committee meetings and advises the Board on Compliances with applicable laws and governance. The important decisions taken at the Board/ Committee meetings are communicated to the concerned departments/ divisions. The draft minutes of the Board and its Committees are sent to the members for their comments and then the minutes are entered in the minute book within the time period provided in the Secretarial Standard.

SEPARATE INDEPENDENT DIRECTORS' MEETINGS

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, the Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. During the financial year ended March 31, 2020, the Independent Directors met on February 13, 2020. All Independent Directors were present in the meeting. They review the performance of non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors. They have also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to this formal meeting, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

FAMILIARISATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, function, duties and responsibilities expected of him/ her as a Director of the Company. The Director is also explained in detail the Compliance required from him/her under the Companies Act, 2013, SEBI Listing Regulations and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has one to one discussion with the newly appointed Director to familiarize him/ her with the Company's operations.

On an ongoing basis, the familiarization activities are done in the separate session on the day of meeting of board of directors, preferably after the completion of the meetings. Three such sessions around two hours each have been held during the year. The sessions have been conducted by Mr. Paras Viramgama, Company Secretary, Mr. J V Adhia, President - Finance and Mr. Neeraj J Chandra, Whole-time Director of

the Company. All Independent Directors have attended the same.

The details of familiarization programme have been posted on the website of the Company and can be accessed through the following link: <https://atulauto.co.in/corporate-governance-reports.aspx>

PERFORMANCE EVALUATION

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place performance evaluation policy to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis. The same can be accessed through web- link: <https://atulauto.co.in/corporate-governance-reports.aspx>

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2019-20. A structured questionnaire was prepared after circulating the draft forms, covering various parameters. The performance evaluations of all the independent directors have been done by the entire Board of Directors, excluding the director being evaluated. Independent Directors have evaluated the performance of non-independent directors and Board as a whole at the separate meeting of Independent Directors. Independent directors have also reviewed the performance of the Chairperson of the company, taking into account the views of executive directors, non-executive directors and President - Finance. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise.

The parameters of the performance evaluation process for the Board, inter alia, considers work done by the Board around long term strategy, rating the composition & mix of Board members, discharging its governance & fiduciary duties, handling critical and dissenting suggestions, etc. The parameters of the performance evaluation process for Directors including Independent Directors includes effective participation in meetings of the Board, domain knowledge, vision, strategy, attendance of Director(s), etc. The performance evaluation of committee's was carried out based on the degree of fulfillment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of meetings, quality of deliberations at the meetings and information provided to the Committees.

The Board of Directors at its meeting held on June 27, 2020, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. Based on the outcome of the Evaluation, the Board and Committees have agreed on the action plan to improve on the identified parameters.

KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES

The Company's core business is manufacturing and sales of three wheeler automobiles which also includes sells of spare parts and after sales support to the customers through dealership network.

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as required in the context of the Company's aforesaid business for it to function effectively and those available with the Board as a whole as given below:

Skills / expertise / competencies	J J Chandra	Mahendra Patel	Neeraj Chandra	Vijay Kedia	Margie Parikh	Aarti Juneja	Mohanjit Singh Walia	Jaichander Swaminatha
Understanding of the consumer and automobile industry	√	√	√	√			√	
Managing Sales and After Sales Service through Dealership Network	√		√				√	
International Business Expansion			√				√	
Manufacturing the quality products including its testing, homologation, designing, upgradations, research and development etc.	√	√						√
Strategic thinking, decision making to protect interest of all stakeholders	√	√		√	√			√
Financial management, risk management, taxes and duties, legal and regulatory aspects etc.		√		√	√	√		
Good Corporate Governance	√				√	√	√	√

B. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas and activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions

held in the Committee Meetings. The outcomes of the meetings of all Committees are placed before the Board for review.

The Board has established the following statutory Committees:

AUDIT COMMITTEE

The Audit Committee met four times during the financial year 2019-20. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

Name of Director	Designation	25.05.2019	10.08.2019	11.11.2019	13.02.2020
Aarti J Juneja	Chairperson/ Member	Y	Y	Y	Y
Margie Parikh	Member	Y	Y	Y	Y
Mohanjit Singh Walia	Member	NA	NA	N	Y
Jaichander Swaminathan	Member	NA	NA	N	Y
Hemantkumar Bhatt	Chairman	Y	N	NA	NA
Hakubhai Lalakiya	Member	Y	Y	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

Ms. Aarti J Juneja has been appointed as Chairperson of Audit Committee after Retirement of Mr. Hemantkumar Bhatt. Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan have been inducted as member of Audit Committee after their appointment as Independent Directors. All members of audit committee are financially literate and Ms. Aarti J Juneja has accounting and related financial management expertise.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement are correct, sufficient and credible;
- reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;

- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- reviewing with management, Statutory Auditors, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- Reviewing the functioning of the Code of Conduct and Whistle Blowing mechanism.

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Companies Act,

2013 and the Listing Regulations. The detailed terms of reference of the Audit Committee is contained in 'Charter of Audit Committee' which is available on the website of the Company at web-link <https://atulauto.co.in/corporate-governance-reports.aspx>. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and President - Finance as permanent invitee. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets auditors separately, without the presence of the Management representatives.

NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019- 20 is detailed below:

Name of Director	Designation	25.05.2019	10.08.2019	11.11.2019	13.02.2020
Mohanjit Singh Walia	Chairman /Member	NA	NA	N	Y
Margie Parikh	Member	Y	Y	Y	Y
Aarti Juneja	Member	Y	Y	Y	Y
Jaichander Swaminathan	Member	NA	NA	N	Y
Hasmukhbhai Adhvaryoo	Chairman	Y	NA	NA	NA
Hakubhai Lalakiya	Member	Y	Y	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan have been inducted as members after their appointment as Independent Directors and Mr. Walia has been appointed as Chairman of Nomination and Remuneration Committee after cessation of Mr. Hasmukhbhai Adhvaryoo.

The composition, powers, role and terms of reference of the Nomination and Remuneration Committee are as per Part D of the Schedule II of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter alia, includes:

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;

- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors.

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board which is available on website of the Company at <https://atulauto.co.in/corporate-governance-reports.aspx>. The Committee also recommends to the Board on extension or continuation of the term of appointment of Independent Directors on the basis of the report of performance evaluation of Directors.

Remuneration of Directors

- The detailed terms of reference of the Nomination and Remuneration Committee and Policy of Remuneration is contained in the 'Nomination and Remuneration Policy' which is available on

the website of the Company at <https://atulauto.co.in/corporate-governance-reports.aspx>.

- No pecuniary relationship exists between the Company and Non - Executive Directors except the holding of 1.16% equity shares of the Company by Kedia Securities Private Limited in which Mr. Vijay Kedia is interested as on March 31, 2020.
- During financial year 2019-20, the Company has neither any transaction with Non-Executive Directors nor made any payments except payment of sitting fees.

- The Executive Directors have not been paid any commission, performance linked incentives or given any stock option during financial year 2019-20.

- The executive directors are not paid any performance linked incentives/ remuneration. The following is the bifurcation of fixed component of the remuneration package of executive Directors during FY 2019-20 which is recommended by Nomination and Remuneration Committee, subsequently approved by the Board of Directors and Shareholders at their respective meetings:

Fixed Component of Remuneration	Annual Remuneration - FY 2019-20 (Amount in Rs.)		
	J J Chandra	Mahendra Patel	Neeraj Chandra
Basic	1,55,92,000	1,34,92,400	73,28,400
Contribution to Super Annuation Fund	1,50,000	1,50,000	1,50,000
Contribution to Provident Fund	--	21,600	21,600
Total	1,57,42,000	1,36,64,000	75,00,000

- The contract period of employment for Mr. Jayantibhai J Chandra and Mr. Mahendra J Patel is of three years from April 01, 2019 to March 31, 2022. Whereas the contract period of employment for Mr. Neeraj J Chandra is being expired on March 31, 2021 and reappointment is being proposed in next Annual General Meeting of the Company.
- The notice period applicable to all three executive directors is three months.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

Name of Director	Designation	25.05.2019	10.08.2019	11.11.2019	13.02.2020
Margie Parikh	Chairperson	Y	Y	Y	Y
Aarti Juneja	Member	Y	Y	Y	Y
Mohanjit Singh Walia	Member	NA	NA	N	Y
Jaichander Swaminathan	Member	NA	NA	N	Y
Hemantkumar Bhatt	Member	Y	N	NA	NA
Hasmukhbhai Adhvaryoo	Member	Y	NA	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan have been inducted as members of Stakeholders Relationship Committee after their appointment as Independent Directors.

The role of Stakeholders' Relationship Committee includes supervision of shareholder grievances mechanism, ensuring expeditious share transmission/ transposition process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The Committee also reviews matters relating to unclaimed equity shares and dividend/shares transferred to Investor Education

and Protection Fund (IEPF) pursuant to the IEPF Rules. The Committee considers and resolves the grievances of the security holders of the listed entity including complaints related to transmission/ transposition of shares, non-receipt of annual report and non-receipt of declared dividends etc.

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company.

Mr. Paras J. Viramgama, Company Secretary, is Compliance Officer for

resolution of Shareholder's/ Investor's complaints. During the Financial Year ended March 31, 2020, eight complaints were received from the shareholders and resolved during the year. No complaint was pending or unresolved to the satisfaction of the shareholder as on March 31, 2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR Committee")

The composition of CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

Name of Director	Designation	25.05.2019	10.08.2019	11.11.2019	13.02.2020
Jayantibhai Chandra	Chairman	Y	Y	Y	Y
Margie Parikh	Member	NA	NA	Y	Y
Aarti Juneja	Member	NA	Y	Y	Y
Mohanjit Singh Walia	Member	NA	NA	N	Y
Hakubhai Lalakiya	Member	Y	Y	NA	NA
Hasmukhbhai Adhvaryoo	Member	Y	NA	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

The CSR Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Recommend the amount of expenditure to be incurred on the activities;
- Monitor implementation and adherence to the CSR Policy of the Company from time to time;
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
- Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report.

Mr. Paras Viramgama, Company Secretary and Compliance Officer of the Company remained present in all meetings of Board and Committees and acted as secretary to all Committee meetings held during the year.

C. GOVERNANCE OF SUBSIDIARY COMPANY

The Board of Directors of the Company is responsible for governance of the subsidiary companies namely Atul Green Automotive Private Limited (CIN: U74999GJ2018PTC100815) wholly owned subsidiary company and Atul Greentech Private Limited (CIN: U31909GJ2020PTC112350) wholly owned subsidiary company incorporated in the month of January 2020. The minutes of the Board Meetings of both the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of both the subsidiary companies are presented to the Audit Committee.

The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding ten percent of the consolidated net worth or income of ten percent of the consolidated income of the Company.

D. COMPANY POLICIES

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct.

The Company has provided dedicated e- mail address whistleblowing@atulauto.co.in for reporting such concerns. Alternatively, employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Company Secretary and CFO have been made responsible for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower Policy of the Company, are reported to the Management Committee and are subject to the review of the Audit Committee.

The Whistle Blower Policy is available on the website of the Company <https://atulauto.co.in/corporate-governance-reports.aspx>

CODE OF CONDUCT

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board Members and Senior Management Personnel. The Company has adopted a Code of Conduct for members of the Board and the Senior Personnel. The same have been posted on the website. The Codes aim at ensuring consistent standards of conduct and ethical business practices across the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended March 31, 2020. The declaration to this effect signed by Mr. J J Chandra, Chairman and Managing Director of the Company forms part of the report. A copy of the said Code of Conduct is available on the website of the Company <https://atulauto.co.in/corporate-governance-reports.aspx>

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions which is also available at Company's website under the web link: <https://atulauto.co.in/corporate-governance-reports.aspx>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the business and on Arm's Length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

INSIDER TRADING CODES

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were made effective from April 01, 2019.

The Board of Director at their meeting held on February 09, 2019, approved formulation/ amendments to the aforesaid.

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and Code of Fair Disclosure Policy have been uploaded on website of the Company and can be accessed through the <https://atulauto.co.in/corporate-governance-reports.aspx>

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

The Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has also been posted on the website of the Company and can be accessed through the web link: <https://atulauto.co.in/corporate-governance-reports.aspx>

E. OTHER DISCLOSURES AND AFFIRMATIONS

Risk Management: The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization. The Audit Committee with Board of Directors has framed the Risk Management Policy. The implementation and monitoring of the same is being reviewed periodically by the Board.

Disclosure of pending cases / Instances of non-compliance: There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

Secretarial Compliance Report: SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchanges within sixty days from the end of the financial year. Due to COVID-19 Pandemic, SEBI vide its Circular dated 19th March 2020 extended the time limit to submit the report for the year ended March 31, 2020 period up to June 30, 2020.

The Company has engaged the services of CS Bunty Hudda, M/s. Hudda & Associates, Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification. The said report has been submitted with the stock exchanges within the provided time-limit.

Total fees paid to Statutory Auditors of the Company: Total fees of Rs.7.49 Lacs for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

Disclosure of accounting treatment in preparation of financial statements: The Company adopted Indian Accounting Standards (Ind AS) from April 01, 2017. Accordingly, the financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

Commodity price risks and Commodity hedging activities: The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through efficient Inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation and after sale service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

CEO/CFO Certification: As required under Regulation 17 of the Listing Regulations, the CEO/ CFO certificate for the financial year 2019-20 signed by Mr. J J Chandra, Chairman & Managing Director and Mr. Mahendra J Patel, Whole-time Director & CFO, was placed before the Board of Directors of the Company at its meeting held on June 27, 2020.

Certificate on Non-Disqualification of Directors: The Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Bunty Hudda, M/s. Hudda & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on June 27, 2020. The same has been annexed.

Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A): Not Applicable

Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year: None

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013: The details of number of complaints filed and disposed of during the year and pending as on March 31, 2020 is given in the Directors' report.

Compliance with Discretionary Requirements of regulation 27(1): In addition to mandatory requirements of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, the Company has also complied with following discretionary requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

- Unmodified opinion in audit report: During the year under review, there was no audit modification/ qualification on the Company's financial statements.

GENERAL SHAREHOLDER INFORMATION

GENERAL BODY MEETINGS OF LAST THREE YEARS:

Financial Year	Date and Time	Venue	Details of special resolutions passed
2016-17	September 29, 2017 11:00 am	Registered Office	No special resolutions were passed at this meeting
2017-18	September 28, 2018 11:00 am	Registered Office	<ul style="list-style-type: none"> • Reappointment of Mr. J J Chandra, Chairman & Managing Director with increase in remuneration • Reappointment of Mr. M J Patel, Whole-time Director & CFO with increase in remuneration • Reappointment of of Mr. Neeraj Chandra, Whole-time Director with increase in remuneration • Approval to deliver document through a particular mode as may be sought by the member.
2018-19	September 30, 2019 11:00 am	Registered Office	<ul style="list-style-type: none"> • Ratification of Appointment of Mr. Hasmukh H Adhvaryoo (DIN: 06456067) • Creation of charge/ providing of security while borrowing money • Increase in remuneration of Mr. Jayantibhai J Chandra, Chairman and Managing Director • Increase in remuneration of Mr. Mahendra J Patel, Whole-time Director & CFO • Increase in remuneration of Mr. Neeraj J Chandra, Whole-time Director

During the year, no resolutions have been passed through postal ballot.

ANNUAL GENERAL MEETING FOR FY 2019-20:

Date : Tuesday, September 29, 2020
Time : 03:00 pm (IST)
Venue : Through VC/OAVM

DATE OF BOOK CLOSURE:

From : September 23, 2020
To : September 29, 2020

DIVIDEND DETAILS:

Interim Dividend@ Rs.1.50 for FY 2019-20
Declared by the Board of Directors : November 11, 2019
Paid on : November 27, 2019

FINANCIAL YEAR:

From 1st April, 2019 to 31st March, 2020

LISTING DETAILS:

- BSE Limited - Scrip Code : 531795
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
- National Stock Exchange of India Limited - Scrip Symbol: ATULAUTO
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai-400051

ISIN

ISIN for equity share of Rs.5/- each : INE951D01028

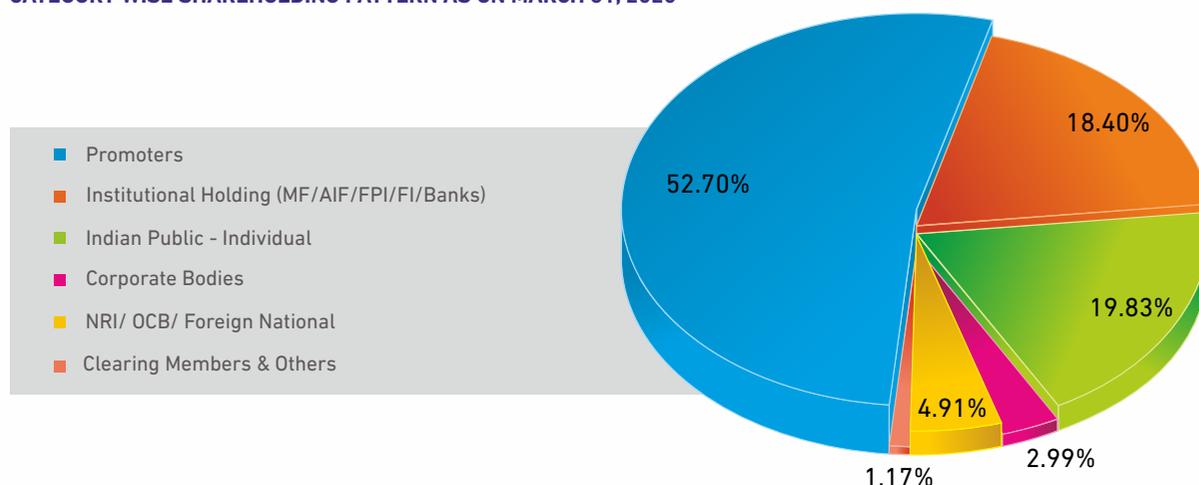
The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended March 31, 2020.

DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on March 31, 2020 is as follows:

No. of Shares		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Shares	% of Shares
-	100	15667	73.41%	570177	2.60%
101	200	2135	10.00%	343060	1.56%
201	500	1944	9.11%	655527	2.99%
501	1000	831	3.89%	607801	2.77%
1001	5000	612	2.87%	1256325	5.73%
5001	10000	50	0.24%	363124	1.65%
10001	100000	64	0.30%	1852587	8.44%
100001	ABOVE	39	0.18%	16294599	74.26%
TOTAL		21342	100.00%	21943200	100.00%

CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2020



DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on March 31, 2020 are as under:

Mode of Holding	No. of shares	% of shares
Physical Mode	2,14,422	0.98%
NSDL Holding	1,76,83,025	80.58%
CDSL Holding	40,45,753	18.44%
Total	2,19,43,200	100.00%

The shares of the Company can be held and traded in electronic form only. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialization form.

The shareholders holding shares in physical form are requested to update their KYC and dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic/ dematerialized form. For any clarification, assistance or information, please contact the Registrar and Transfer Agent of the Company.

UNCLAIMED DIVIDEND/ SHARE CERTIFICATE

Pursuant to provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer, such unclaimed or unpaid dividend shall be

transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act.

The details of unclaimed/unpaid dividend are available on the website of the Company viz. <https://atulauto.co.in/unclaimed-dividend.aspx>

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be

credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules. No share of the company was liable to be transferred to IEPFA during FY 2019-20.

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Rs.5,70,702/- of unpaid / unclaimed dividend transferred during the financial year 2019-20 to the Investor Education and Protection Fund and no shares were required to be transferred.

The Company has appointed Mr. Paras J Virangama, Company Secretary and Compliance Officer as Nodal Officer under the provisions of IEPF rules, the details of which are available on the website of the Company: <https://atulauto.co.in/unclaimed-dividend.aspx>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website <https://atulauto.co.in/unclaimed-dividend.aspx>

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

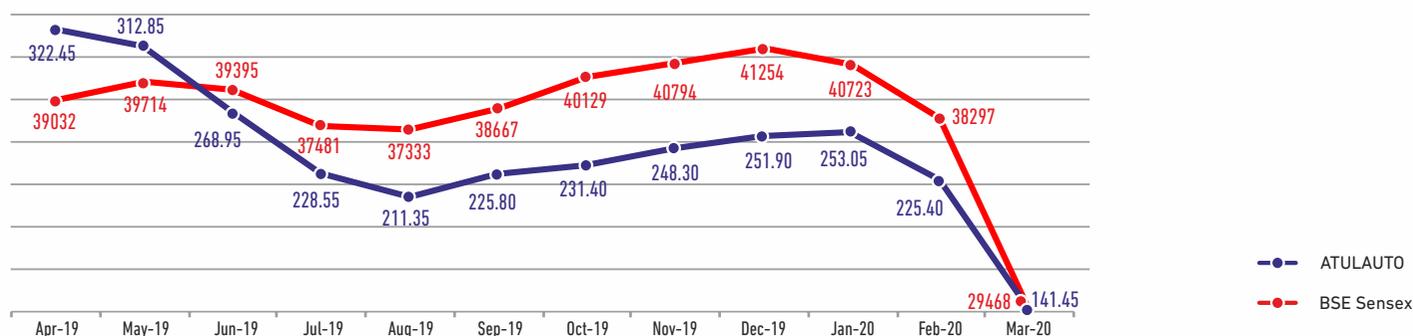
MARKET PRICE DATA:

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2020 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-19	372.40	321.05	39,299	372.90	321.25	4,16,443
May-19	347.00	283.10	41,902	343.00	291.00	3,43,716
Jun-19	314.40	261.25	22,938	313.10	260.00	2,20,364
Jul-19	278.00	227.00	22,693	278.00	226.00	2,32,970
Aug-19	233.50	198.00	52,077	234.80	195.45	2,72,340
Sep-19	243.80	203.00	37,055	243.80	202.25	3,28,560
Oct-19	247.00	215.75	19,996	248.00	216.10	3,24,547
Nov-19	251.40	206.60	42,546	252.00	215.00	4,27,633
Dec-19	262.40	228.25	42,227	262.00	228.00	5,28,897
Jan-20	298.70	241.05	1,30,296	298.45	242.00	19,21,447
Feb-20	280.00	218.20	54,468	270.00	222.20	8,03,515
Mar-20	231.15	117.00	54,834	236.00	116.80	5,40,436

PERFORMANCE IN COMPARISON TO BROAD-BASED INDICE

The Chart below shows the comparison of Company's share price movement on BSE vis-à-vis the movement of BSE Sensex for the financial year ended March 31, 2020 (based on month end closing):



SHARE TRANSFER SYSTEM

After the merger of M/s. Sharex Dynamic (India) Private Limited, M/s. Link Intime India Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transmission of shares, transposition of shares, name deletion, change of address, amongst others.

The Board of Directors of the Company have delegated the authority to approve the transmission of shares or requests for deletion of name of the shareholder etc., as mentioned in regulation 9 of the Listing Regulations to the designated official of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialization, consolidation and renewal of share certificates are approved by the designated official of the Company and reviewed by the Stakeholders' Relationship Committee.

A summary of approved transmissions, deletion requests etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice certifying the Compliance of Regulation 40 (9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges.

MEANS OF COMMUNICATIONS

Publication of quarterly financial results

Quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular newspaper like Economic Times, Financial Express except annual financial results for the quarter/ year ended March 31, 2020 as allowed by SEBI vide its circular dated March 26, 2020 on account of COVID-19 pandemic.

Website and News Releases

A separate section under "INVESTORS" on the Company's website www.atulauto.co.in gives information on various announcements made by the Company, status of unclaimed dividend/ share, stock quotes, Annual Report, Quarterly, Half-yearly and Annual financial results

Physical Communication

For any queries related to shares of the Company, the correspondence may please be addressed to the Company's Registrars & Share Transfer Agent or to the Company at following address:

Link Intime India Private Limited
C101, 247 Park,
Lal Bahadur Shastri Marg,
Vikhroli (West),
Mumbai - 400083
Phone : 022 4918 6270
E-Mail : rnt.helpdesk@linkintime.co.in
Web: www.linkintime.co.in

PLANT LOCATION:

Shapar Plant
Survey No. 86, Plot No. 1 to 4,
8B National Highway,
Near Microwave Tower,
Shapar (Veraval), Dist. Rajkot
Gujarat, INDIA 360024

along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

Stock Exchange

The Company makes timely disclosures of necessary information to BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Rules and Regulations issued by SEBI.

Designated Email Address for Investor Services

The designated email address for investor complaints is investorrelations@atulauto.co.in

Atul Auto Limited
Survey No. 86, Plot No. 1 to 4,
8B National Highway,
Near Microwave Tower,
Shapar (Veraval),
Dist. Rajkot, Gujarat, INDIA 360024
Phone : 02827 235500
E-Mail : investorrelations@atulauto.co.in
Web: www.atulauto.co.in

Upcoming Plant: Ahmedabad Plant
Survey No. 521, 525, 530, 541, 542,
Rajkot-Ahmedabad Highway,
Near Super Gas Plant,
Village: Bhayla, Taluka: Bavla,
Dist. Ahmedabad, Gujarat, INDIA 382220

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that Atul Auto Limited ("the Company") has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2020.

Shapar (Dist. Rajkot)
June 27, 2020

Jayantibhai J Chandra
Chairman and Managing Director
(DIN: 00057722)

CEO/CFO CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors,
Atul Auto Limited,

We, Mr. Jayantibhai J Chandra (DIN: 00057722), Chairman and Managing Director and Mr. Mahendra J Patel (DIN: 00057735), Whole-time Director & CFO of Atul Auto Limited ("the Company") hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the step we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:
- (i) Significant changes, if any in internal control over financial reporting during the year;
 - (ii) Significant changes, if any in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Shapar (Dist. Rajkot)
June 27, 2020

(Jayantibhai J Chandra)
Chairman and Managing Director
(DIN: 00057722)

(Mahendra J Patel)
Whole-time Director & CFO
(DIN: 00057735)

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of Atul Auto Limited
Survey No.86, Plot No. 1 to 4,
8B National Highway,
Nr. Microwave Tower,
Shapar (Veraval),
Rajkot - 360024, Gujarat, INDIA

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Atul Auto Limited having CIN L54100GJ1986PLC016999 and having registered office at Survey No.86, Plot No. 1 to 4, 8B National Highway, Nr. Microwave Tower, Shapar (Veraval), Rajkot - 360024, Gujarat, INDIA (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Jayantibhai Jagjivanbhai Chandra	00057722	18/06/1986
2	Mahendra Jamnadas Patel	00057735	30/11/1994
3	Neeraj Jayantibhai Chandra	00065159	01/03/2012
4	Vijay Kishanlal Kedia	00230480	31/01/2009
5	Margieben Sunil Parikh	07056179	19/01/2015
6	Aarti Jeetendra Juneja	06872059	09/02/2019
7	Mohanjit Singh Walia	08535435	10/08/2019
8	Jaichander Swaminathan	08537472	26/08/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ahmedabad
June 15, 2020

Bunty Hudda
Company Secretary in practice
Membership No: ACS 31507
CP No. 11560
UDIN: A031507B000343269

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To
the Members of
Atul Auto Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated September 30, 2019.
2. We, Kamlesh Rathod & Associates, Chartered Accountants, the Statutory Auditors of Atul Auto Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

Management's Responsibility for compliance with the conditions of Listing Regulations

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2020.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certificate of Corporate Governance issued by the institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. 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.

Restriction on use

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Kamlesh Rathod & Associates
Chartered Accountants
Firm's Registration No: 117930W

Kamlesh Rathod
Partner
Membership No: 101046
UDIN: 20101046AAAAAN9233

Shapar (Dist. Rajkot)
August 25, 2020

Independent Auditors' Report

on the Standalone Indian Accounting Standards (Ind AS) Financial Statements

To the Members of Atul Auto Limited

Opinion

We have audited the accompanying Ind AS Standalone financial statements of ATUL AUTO LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss which also includes Other Comprehensive Income and Cash Flow Statement and the statement of Changes in Equity for the year ended, and notes to financial statements including summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We would like to draw your attention to Note No. 38 of the Standalone Financial Statements which states the management's estimation of impact of COVID-19 on financial statements of the company for the year ended March 31, 2020.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the standalone financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matter
1. Revenue Recognition		
	<p>Company's revenue is primarily derived from sale of three wheelers vehicles through dealership channels, in Domestic & International Market.</p> <p>We focused on existence and appropriate recognition of revenue as a key audit matters as it is key contributor to the determination of profit</p> <p>Refer Notes 1.2 of Significant accounting policies and Note 20 to Standalone Financial Statements</p>	<p>Our testing of revenue transactions focused on evidencing that the underlying transactions had occurred in the period.</p> <p>Our procedure included:</p> <ul style="list-style-type: none"> • We developed an understanding of the systems, controls and processes associated the recording of sales transactions. • We analysed the Company accounting policies for revenue recognition, including the criteria for revenue recognition and sales incentives classification. • We analysed the terms of dealer agreements also covering rewards related to sales incentives. • Test of detail to confirm the existence of revenue by agreeing the sample of revenue transaction to supporting documentation. • Where delayed delivery was identified we considered whether the company had transferred the inventory risk to the customer before the date of audit report.
2. Impact of COVID-19 on the Company's financial statements		
	<p>Coronavirus disease 2019 ('COVID-19'), was declared a global pandemic by World Health Organisation.</p> <p>In line with the directions on lockdown issued by the Government of India, the Company temporarily suspended the operations of its manufacturing units from 25 March 2020 till 31 March 2020; and subsequently up to further dates as instructed by the State Governments.</p> <p>COVID-19 has resulted in restriction in movement of goods</p> <p>during the period from 25 March 2020 till 31 March 2020 impacting normal business operations for the Company including revenues, receivables, purchases including services and inventories at the year-end and hence considered key audit matter</p> <p>Refer Note 38 to Standalone Financial Statements</p>	<p>We have performed the following procedures to assess and evaluate the impact on financial statements because of business decisions, government actions or economic environment developments:</p> <ul style="list-style-type: none"> • Performed cut-off procedures for a larger sample of invoices during the lockdown period for both domestic as well as export sales. • Enquired with the Company on the manner of financial support (if any) provided to the dealers, vendors and service providers; and their recognition in the financial statements. • Enquired with the Company on any information on the liquidity position of any dealers; and ascertained the need for any additional provisioning for impairment/credit loss in the financial statements. • We assessed the disclosures on COVID-19 made in the financial statements. • Our ability to perform regular audit procedures has been impacted which has required us in certain cases to perform alternative audit procedures and exercise significant judgment in respect of the following: <ul style="list-style-type: none"> ♦ Audit and quality control procedures which were earlier performed in person could not be performed; and hence alternative procedures have been performed based on inquiries (through phone calls, video calls and e-mail communications) and review of scanned documentation sent through e-mails, followed up with sighting with original documents. ♦ Year-end inventory observation of inventory counts could not be performed. However, inventory counts were observed subsequent to year-end; and rolled back to year-end.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. However, we have nothing to report in this matter.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these standalone Ind AS financial statement to give a true and fair view of the financial position, financial performance which includes other comprehensive income, statement of cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibility for the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore reported as key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, based on our audit we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

- c. Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
- d. In our opinion, the aforesaid standalone Financial Statement comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and according to the information and explanations given to us, the managerial remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act, read with Schedule V of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us;
 - i. The company has disclosed the impact, if any, of pending litigations on its financial position in its standalone financial statements - Refer note 29 to the standalone Ind AS financial statements.
 - ii. The company does not have any long-term contracts including derivative contracts, hence the question of any material foreseeable losses does not arise;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

For Kamlesh Rathod & Associates

Chartered Accountants
Firm Reg. No.117930W

Kamlesh Rathod
Partner
Membership No. 101046
UDIN: 20101046AAAAAF9438

Signed at Shapar (Dist. Rajkot) on June 27, 2020

ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of ATUL AUTO LIMITED on the standalone Ind AS financial statements for the year ended March 31, 2020]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) The Company has a program of verification to cover all the items of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are in the name of the company and the approach road to access the new factory site at Bhayla, Ahmedabad is privately owned and the expenditure is incurred by the company but title of that road is not in the name of the company.
- (ii) The inventory (excluding stocks with third parties and work in progress) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. Discrepancies noticed during physical verification were not material and the same has been dealt with in the books of account.
- (iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act"), accordingly, the provisions stated in paragraph 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us provision of section 186 of the Act, with respect to loan, guarantee and investments made have been complied with by company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the provisions of section 73 to 76 of the Act and rules framed there under. Accordingly, the provision of clause 3(v) of the order are not applicable to the company and hence not commented upon.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act and rules framed there under.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2020, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

(₹ in Lacs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending	Dispute by Company/ Department
The Income Tax Act, 1961	Income Tax	49	2012-13	Income Tax Appellate Tribunal	Department
		9	2012-13		Company
		16	2014-15	Commissioner Appeals	Company
		5	2012-13		Company
		29	2017-18		Company
The Gujarat VAT Act, 2006	Sales Tax	12	2001-02 & 2002-03	Supreme Court	Department
	VAT	14	2006-07	VAT Tribunal	Company
The Central Sales Tax, 1956	CST	2	2001-02 & 2002-03	Supreme Court	Department
Central Excise Act, 1944	Excise	1	2007-08, 2008-09, & 2009-10	CESTAT	Department

(Show-cause notices received from various Government Agencies pending formal demand notices have not been reported being not adjudicated.)

- (viii) The Company has not defaulted in any loan from financial institutions or banks during the year.
- (ix) The Company has not raised money by way of public issue or term loan during the year.
- (x) 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.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, the provisions of clause (xii) of the order are not applicable to the Company.
- (xiii) According to information and explanation given to us and on the basis of books of accounts and other relevant records of the company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to standalone Financial Statements as required by applicable accounting standards.
- (xiv) Company has not made any private placement or preferential allotment during the year.
- (xv) According to information and explanation given to us the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given by the Management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Kamlesh Rathod & Associates.

Chartered Accountants
Firm Registration No.117930W

Kamlesh Rathod

Partner
Membership No. 101046
UDIN: 20101046AAAAAF9438

Signed at Shapar (Dist. Rajkot) on June 27, 2020

ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls for financial reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the act')

We have audited the internal financial control over financial reporting of ATUL AUTO LIMITED ('the company') as of 31st March, 2020 in conjunction with our audit of the standalone Ind AS financial statement of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, and accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Control over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial

statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of the management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, looking to the expansion of the company in terms of volume & capital expenditure either separate audit division or an appointment of external audit professional is suggested. Our opinion is not modified for this matter.

For Kamlesh Rathod & Associates

Chartered Accountants

Firm Registration No. 117930W

Kamlesh Rathod

Partner

Membership No. 101046

UDIN: 20101046AAAAAF9438

Signed at Shapar (Dist. Rajkot) on June 27, 2020

BALANCE SHEET as at March 31, 2020

(₹ in Lacs)

Sr. No.	Particulars	Note No.	March 31, 2020	March 31, 2019
ASSETS				
(1)	Non-current Assets			
	(a) Property, Plant and Equipment	2	9,209	9,336
	(b) Right of use Asset	2	69	-
	(c) Capital Work-in-Progress	2	11,659	3,660
	(d) Investment Property	3	31	35
	(e) Financial Assets			
	(i) Investments	5	1,462	1,322
	(f) Income Tax Assets (Net)	6	153	30
	(g) Other Non-current Assets	8	1,489	2,060
	Total Non-current Assets		24,072	16,443
(2)	Current Assets			
	(a) Inventories	9	4,803	5,745
	(b) Financial Assets			
	(i) Investments	5	-	946
	(ii) Trade Receivables	10	7,808	10,032
	(iii) Cash and Cash Equivalents	11	106	946
	(iv) Other Bank Balance	12	130	732
	(iv) Loans	13	129	122
	(v) Other Financial Assets	7	258	59
	(c) Other Current Assets	8	278	323
	Total Current Assets		13,512	18,905
	Total Assets		37,584	35,348
EQUITY AND LIABILITIES				
EQUITY				
	(a) Equity Share Capital	14	1,097	1,097
	(b) Other Equity	15	29,228	24,763
LIABILITIES				
	Total Equity		30,325	25,860
(3)	Non-current Liabilities			
	(a) Financial Liability			
	(i) Lease Liability	18	32	-
	(b) Provisions	16	73	-
	(c) Deferred Tax Liabilities (Net)	17	316	539
	Total Non-current Liabilities		421	539

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2020

(A) Equity Share Capital (Note No. 14)

(₹ in Lacs)

Particulars	Note No.	March 31, 2020	March 31, 2019
At the beginning of the year		1,097	1,097
Changes in equity share capital during the year		-	-
At the end of the year	14	1,097	1,097

(B) Other Equity

Particulars	Note No.	Capital Reserve (₹)	Security Premium (₹)	General Reserve (₹)	Shares Forfeiture (₹)	Retained earnings (₹)	Total Other Equity (₹)
Balance as at April 01, 2018	15	30	478	2,094	23	18,217	20,842
Profit for the year		-	-	-	-	5,312	5,312
Other comprehensive income (net of tax)		-	-	-	-	-3	-3
Total comprehensive income for the year ended March 31, 2019		-	-	-	-	5,309	5,309
Transaction with owners in their capacity as owners							
Final Dividend		-	-	-	-	-549	-549
Tax on Final Dividend		-	-	-	-	-113	-113
Interim Dividend		-	-	-	-	-603	-603
Tax on Interim Dividend		-	-	-	-	-124	-124
Balance as at March 31, 2019		30	478	2,094	23	22,137	24,763
Profit for the year		-	-	-	-	5,239	5,239
Other comprehensive income (net of tax)		-	-	-	-	-46	-46
Total comprehensive income for the year ended March 31, 2020		-	-	-	-	5,193	5,193
Transaction with owners in their capacity as owners							
Final Dividend		-	-	-	-	-274	-274
Tax on Final Dividend		-	-	-	-	-56	-56
Interim Dividend		-	-	-	-	-329	-329
Tax on Interim Dividend		-	-	-	-	-68	-68
Balance as at March 31, 2020		30	478	2,094	23	26,603	29,228

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date
For Kamlesh Rathod & Associates
Chartered Accountants
FRN: 117930W

Kamlesh Rathod
Partner
Membership No.: 101046
Placed: Shapar (Dist. Rajkot) on June 27, 2020
UDIN: 20101046AAAAAF9438

For and on behalf of Board of Directors of
Atul Auto Limited

J J Chandra
Chairman and Managing Director
DIN : 00057722

M J Patel
Whole time Director & CFO
DIN : 00057735

Paras J Viramgama
Company Secretary

STATEMENT OF CASH FLOW for the year ended March 31, 2020

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
A.	Cash Flow from Operating Activities		
	Net Profit Before Taxation	6,703	8,195
	<u>Adjustment for:</u>		
	Add:-		
	Provision for Doubtful Debts	107	46
	Depreciation & Impairment	640	554
	Interest on Lease Liability	8	-
	Finance Cost	103	86
	Loss/(Profit) on Sale of Fixed Assets	-6	-14
	Sub Total	852	672
	Less :-		
	Profit on Redemption/Revaluation of Mutual Fund	-46	-279
	Interest Received on Deposits	-31	-71
	Rent Expense paid for lease classified under Ind AS 116	-47	-
	Profit on Sale of Investment	-	-
	Unrealised Foreign Exchange Gain	-53	-43
	Sub Total	-177	-393
	Operating Profit Before Working Capital Changes	7,378	8,474
	<u>Movements in Working Capital:</u>		
	Decrease/-Increase in Trade Receivable	2,170	-2,213
	Decrease/-Increase in Inventories	942	-1,141
	Decrease/-Increase in Loans and Other Assets	-179	-89
	Increase/-Decrease in Trade Payables	-2,648	778
	Increase/-Decrease in Liabilities/Provisions	12	441
	Total Movement in Working Capital	298	-2,224
	Cash Generated from Operations	7,676	6,250
	Direct Taxes Paid (Net of Refunds)	-1,940	-2,732
	NET CASH FROM OPERATING ACTIVITIES	5,736	3,518
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets, Capital WIP and Advances for Capital Goods & of Payable	-7,364	-6,025
	Proceeds from Sale of Fixed Assets	44	18
	Net Proceeds from Sale of Mutual Fund	992	3,867
	Investment in Wholly owed Subsidiary Company	-140	-
	(Increase)/Decrease in Other Bank Balance	604	-593
	Inter Corporate Deposit	-	-105
	Investment in Associate Company	-	-
	Interest Received on Deposits	31	71
	NET CASH FLOW FROM INVESTING ACTIVITIES	-5,833	-2,767

STATEMENT OF CASH FLOW for the year ended March 31, 2020 (Contd.)

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
C.	Cash Flow form Financing Activities		
	Dividend Paid	-603	-1,152
	Tax on Dividend Paid	-124	-237
	Increase in Lease Liability	74	-
	Interest on Lease Liability	-8	-
	Other Borrowing Cost	-81	-64
	NET CASH CLOW FROM FINANCING ACTIVITIES	-743	-1,453
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-840	-702
	Effect of Change in Cash or Cash Equivalent held in Foreign Currency due to Exchange Rate Fluctuation		-
	Cash and Cash Equivalents at the Beginning of the Year	946	1,648
	Cash and Cash Equivalents at the End of the Year	106	946
	Components of Cash and Cash Equivalents as at the End of the Year		
	Cash on Hand	1	1
	Cheques on Hand	-	-
	With Bank	-	-
	- In Current Accounts	105	945
	TOTAL	106	946

Notes:

1 Previous year's figures have been regrouped wherever necessary

2 The Cash Flow Statement has been prepared under the indirect method as set out in the Indian Accounting Standard - 7 on Cash Flow Statement

The accompanying notes form an integral part of the Standalone Financial Statements.

As per our report of even date attached
For Kamlesh Rathod & Associates
 Chartered Accountants
 FRN: 117930W

Kamlesh Rathod

Partner
 Membership No.: 101046
 Signed at: Shapar (Dist. Rajkot) on June 27, 2020
 UDIN: 20101046AAAAAF9438

For and on behalf of Board of Directors of
 Atul Auto Limited

J J Chandra

Chairman and Managing Director
 DIN : 00057722

M J Patel

Whole time Director & CFO
 DIN : 00057735

Paras J Viramgama

Company Secretary

NOTES TO THE STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2020

Background

Atul Auto Limited (the company) is a public company domiciled in India and situated at Shapar(Gujarat), incorporated on June 18, 1986. Its shares are listed on two stock exchanges in India - BSE Limited and National Stock Exchange of India Limited. The Company manufactures and sales Auto Rickshaws in domestic and overseas market.

The standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on June 27, 2020.

1 Basis of Preparation

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) prescribed under the Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 as amended and relevant provisions of the Companies Act, 2013

The financial statements are presented in ₹, which is also the Company's functional currency and all values are rounded to the nearest lacs (₹ ,00,000), except when otherwise indicated.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Summary of Significant Accounting Policies followed by the Company

1.1 System of Accounting

- (A) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties. This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

Use of Estimates, Judgement & Assumptions

- (B) Estimates, judgement and assumptions used in the preparation of these financial statements and disclosures made therein are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The following are items which are more likely to be materially adjusted due to estimates and assumptions turning out to be

different than those originally assessed. Detailed information about each of these estimates and judgement is included in relevant notes together with information about basis of calculation for each affected line item in the financial statement.

- (i) Provision for warranty claims
- (ii) Valuation of employee benefits
- (iii) Provision for tax expenses
- (iv) Provision for expected credit loss
- (v) Provision for after sales activities

Estimates and judgement are regularly revisited. Estimates are based on historical experience and other factors, including futuristic reasonable information that may have a financial impact on the company.

(C) Estimation of uncertainties relating to the global pandemic from COVID-19

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, and investment in associate. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information including credit reports, economic forecasts and related information. Based on current estimates The company expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statements.

1.2 Revenue Recognition

(A) Sales

- (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue is presented exclusive of Goods & Services tax. Post the applicability of GST with effect from July 01, 2017, Sales are required to be disclosed net of GST. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.
- (ii) Domestic sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.
- (iii) Export sales are recognised on the date of the shipped on board signifying transfer of risks and rewards of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rates prevailing on the date of the transaction.
- (iv) Sale of Products:

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period

"The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers.

These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets Refer Note 16."

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.

The Company, on behalf of its customers (dealers and distributors), dispatch the goods to agreed locations for an agreed fee. The Company has determined that the performance obligation of the Company is to arrange for those goods and services (Company is an agent) to the dealers and hence the amount charged to the customer offset by freight charges paid to the freight service providers is shown as revenue and disclosed as other operating income or other operating expenses, depending upon the results of the offsetting.

(B) **Export Incentives**

(i) Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.

(C) **Other Income**

The Company recognises income (including rent etc.) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.

1.3 **Property, Plant and Equipment and Depreciation**

(A) Capital work in process, Property, plant and equipment except land are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and impairment thereon if any. Freehold land is carried at cost of acquisition. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.

(B) Costs incurred to manufacture property, plant and equipment and intangible are charged to particular property plant & equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic

benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

(C) Land and buildings acquired/constructed, not intended to be used in the operations of the Company and held for earning long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, are categorised as investment property.

(D) Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset are capitalised where the asset is available for use but incapable of operating at normal levels until a year of commissioning has been completed.

(E) **Depreciation and Amortisation methods, estimated useful lives and residual value**

On Tangible Assets

(i) Depreciation is provided on a pro rata basis on the straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.

(ii) Useful life of assets are determined by the Management by internal technical assessments and such useful life is in conformity with Schedule - II of companies act. Depreciation on additions is being provided on pro rata basis from the month of such additions.

(iii) Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.

The property taken under operating lease is depreciated over the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

(F) **Impairment of Assets**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

1.4 **Intangible Assets**

Product Development Cost

Product Development Cost incurred on new vehicles platforms, variants on existing platforms and new vehicles aggregates are recognized as intangible assets and are included under fixed assets. These amounts are amortized over sixty months from the commencement of commercial production.

SAP Implementation Charges

Expenses incurred for implementation of SAP are recognized as intangible assets and are included under fixed assets. The amounts are amortized over sixty months from the implementation of SAP.

1.5 Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.

Depreciation on investment property is provided on a pro rata basis on straight line method over the estimated useful lives. Useful life of assets, as assessed by the Management, corresponds to those prescribed in Part 'C' Schedule II of companies act.

1.6 Investments, Financial Assets and Financial Liability

(A) Investment in Associate

Interest in Associate is recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(B) Investment in Subsidiary

Interest in Subsidiary is recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

(C) Other Investments and Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- * Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.
- * The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Fair value through Profit or Loss: Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected

credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

(iv) Derecognition of Financial Assets

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

(v) Income Recognition

Dividend

Company recognises dividend in the statement of profit & loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company and the amount of the dividend can be measured reliably.

Interest Income

Interest income from fixed deposits, corporate guarantee and from dealers outstanding are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(D) Financial Liability

(i) Classification as Debt or Equity

Debt and equity instruments issued by the Company are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

(ii) Initial Recognition and Measurement

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables.

(iii) Subsequent Measurement

The measurement of financial liabilities depends on their classification, as described below:

Trade and Other Payable

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less

otherwise they are presented as non-current liabilities. Trade and payables are subsequently measured at amortised cost using the effective interest rate method.

Derecognition

Liability is removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Liability is classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

1.7 Foreign Currency Transactions

- (i) Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Company's functional and presentation currency.
- (ii) On initial recognition, all foreign currency transactions are recorded at foreign exchange rate on the date of transaction.
- (iii) Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
- (iv) The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.

1.8 Inventories

Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.

Finished stocks of vehicles are valued at cost of manufacturing or net realisable value whichever is lower.

Raw materials, Stores, Packing Materials, tools and components are valued at cost arrived at on simple average basis or net realisable value, whichever is lower, as circumstances demand. However, obsolete and slow moving

items are valued at cost or estimated realisable value whichever is lower.

Goods in transit are stated at actual cost incurred up to the date of Balance Sheet.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

1.9 Research & Development Expenditure

Research & Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.

1.10 Taxation

Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred taxes are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

1.11 Provisions and Contingent Liabilities

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation such as product warranty costs. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

1.12 Operating lease including on Investment Properties

As a Lessor

"The company has leased out its assets and such leases where the company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit & loss on a straight line basis over the lease term in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit & loss in the period in which they are incurred.

Under operating lease, the asset is capitalised within property

plant & equipment and depreciated over its useful economic life. Therefore, Ind AS 116 does not have an impact for leases where the company is the lessor."

As a Lessee

"Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease. The Company's lease asset primarily consists of Building. The company assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) the contract involves the use of an identified asset
- (ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and
- (iii) the Company has the right to direct the use of the asset."

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases), and lease contract for which the underlying asset is of low value (low-value assets). For these short-term, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

"The right-of-use assets are initially recognised at cost, which comprises the initial measurement of the lease liability adjusted plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate of cost of capital. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made."

"In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable."

Transition

"Effective from April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental cost of capital and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental cost of capital at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31,

2019.

On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of 112 lakhs, and a lease liability of 112 lakhs. The effect of this adoption is insignificant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Lease liability and ROU asset have been separately presented in the Balance Sheet."

1.13 Government Grants

"Grants and subsidies from the government are recognized when there is reasonable assurance that " (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

"When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it is recognized as deferred income and transfer to income in equal amounts over the expected useful life of the related asset."

Where the company receives non-monetary grants, the asset is accounted for on the basis of its acquisition cost. In case a non-monetary asset is given free of cost, it is recognized at a nominal value.

1.14 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

1.15 Cash and Cash Equivalents

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, balance with banks.

1.16 Employee benefits

Employee benefits include salaries, wages, contribution to provident fund, gratuity, leave encashment towards un-availed leave, compensated absences, and other terminal benefits.

(A) Gratuity

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policy and Debt fund of the Life Insurance Corporation of India (LIC). However, any deficit in plan assets managed by LIC as compared to the liability based on an independent actuarial valuation is recognised as a liability.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

Remeasurements, comprising of actuarial gains and losses, the

effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

- (B) Provident fund contributions are made to Company's Provident Fund . The contributions are accounted for as defined benefit plans and the contributions are recognised as employee benefit expense when they are due.
- (C) Defined contribution to superannuation fund is being made as per the scheme of the Company and recognised as expense as and when due.

1.17 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted

average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

1.18 Segment Reporting

The company is engaged mainly in the business of automobile products. These, in the context of Indian Accounting Standard 108 on Operating Segment, as specified in the Companies (Indian Accounting Standards) Rules, 2015, are considered to constitute one single primary segment. Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker.

2. Property, Plant and Equipment

Current Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at March 31, 2020
Freehold Land	4,173	38	-	4,211	-	-	-	-	4,211
Buildings	1,976	67	-	2,043	694	69	-	763	1,280
Plant & Machinery (Including Electric Fitting)	7,408	167	85	7,490	3,883	441	78	4,246	3,244
Furniture & Fittings	238	1	-	239	151	0	-	151	88
Computers	290	18	-	308	241	22	-	263	45
Office Equipment	142	4	-	146	126	7	-	133	13
Vehicles	457	209	140	526	254	54	109	198	328
TOTAL	14,684	504	225	14,963	5,348	593	187	5,754	9,209
Capital Work in Progress	3,660	8,080	81	11,659	-	-	-	-	11,659
Leasehold Assets (Right-of-Use Assets)	-	112		112		43		43	69

Previous Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at March 31, 2019
Freehold Land	3,909	264	-	4,173	-	-	-	-	4,173
Buildings	1,946		-30	1,976	614	68	-12	694	1,282
Plant & Machinery (Including Electric Fitting)	6,583	934	109	7,408	3,578	412	107	3,883	3,525
Furniture & Fittings	238	-	-	238	151	-	-	151	87
Computers	254	36	-	290	223	18	-	241	49
Office Equipment	135	7	-	142	119	7	-	126	17
Vehicles	456	33	32	457	235	48	30	254	203
TOTAL	13,521	1,274	111	14,684	4,920	553	125	5,348	9,336
Capital Work in Progress	526	3,719	585	3,660	-	-	-	-	3,660

Note:

- As per Ind AS - 40 'Investment Property' assets which is held to earn rentals or for capital appreciation or both is treated as investment property.
- Refer to clause 1.3 of notes to significant accounting policies
- Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease. The Company's lease asset primarily consists of Building. The right-of-use assets are initially recognised at cost, which comprises the initial measurement of the lease liability adjusted plus any initial direct costs less any lease incentives.

(* Depreciation amount includes impairment loss of ₹ 18.02 Lacs for current and pervious period)

Note - 3 Investment Property

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Gross Carrying Amount		
Opening Balance	50	80
Addition	-	-
Transfer to Property Plant & Equipment	-	30
Closing balance	50	50
Accumulated Depreciation		
Opening Balance	15	27
Addition	4	4
Transfer to Property Plant & Equipment	-	16
Closing balance	19	15
Net Carrying Amount	31	35

Note:

Investment property has been carried at the cost less accumulated depreciation as at 01 April 2019, as the cost and depreciation determined under the previous GAAP, in case of the company, is in line with the principles of Ind AS 40.

(i) Amounts Recognised in Profit or Loss for Investment Properties

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Rental Income	15	9
Direct operating expenses from property that generated rental income	-	-
Profit from Investment property before depreciation	15	9
Depreciation	4	4
Profit from Investment property	11	5

(ii) Contractual Obligations

There are no contractual obligation to construct or develop investment property

(iii) Leasing Arrangements

Investment properties are leased out to tenants under operating leases. Disclosure on future rent receivable is included in note -32.

(iv) Fair Value

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Investment property	91	91

(v) Estimation of Fair Value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by the valuer vide report dated 27th June, 2017 and consequently classified as a level 2 valuation.

Note - 4 Intangible Assets**Current Year**

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at March 31, 2020
Product Development	195	-	-	195	195	-	-	195	-
ERP System	127	-	-	127	127	-	-	127	-
TOTAL	322	-	-	322	322	-	-	322	-

Previous Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at March 31, 2019
Product Development	195	-	-	195	195	-	-	195	-
ERP System	127	-	-	127	127	-	-	127	-
TOTAL	322	-	-	322	322	-	-	322	-

Note - 5 Investments

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Non - Current Investment		
(a) Investment in Wholly Owned Subsidiary		
Investment carried at cost		
Unquoted :		
Extent of holding	100%	100%
No. of Shares owned	400,000	10,000
Investment in Atul Green Automotive Private Limited	40	1
	40	1
Investment carried at cost		
Unquoted :		
Extent of holding	100%	-
No. of Shares owned	1,010,000	-
Investment in Atul Greentech Private Limited	101	-
Total (a)	101	-
(b) Investment in Associate		
Investment carried at cost		
Unquoted :		
Extent of holding	30%	30%
No. of Shares owned	11,820,000	11,820,000
Investment in Khushbu Auto Finance Limited	1,452	1,452
Less :- Provision for diminution (other than temporary) in value	-131	-131
Total (b)	1,321	1,321
Total Non - Current Investment (a+b)	1,462	1,322
Current Investment		
(c) Investment in Mutual Fund		
Investment carried at fair value through Profit & Loss		
Quoted		
Birla Sun Life Cash Plus - Direct Plan [Growth]	-	246
(Units: CY - Nil, PY - 81,563.738)		
Idbi Liquid Fund [Growth]	-	100
(Units: CY - Nil, PY - 4,997.212)		
Tata Liquid Fund	-	300
(Units: CY - Nil, PY - 10,197.232)		
Sbi Liquid Fund [Growth]	-	300
(Units: CY - Nil, PY - 10,258.949)		
Total (c)	-	946
Total Current Investment	-	946
Total Investment	1,462	2,268
Aggregate provision for diminution in value of investments	131	131

(₹ in Lacs)

Particulars	Book Value		Market Value	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Quoted	-	946	-	946
Unquoted	1,462	1,322	NA	NA

Notes to Investments

- (i) Investment made by the company other than those with a maturity of less than one year are intended to be held for short term. On an assessment of the expected credit loss due to significant changes in the risk profile, no material provisions are required to be made.
- (ii) Refer note 1 for accounting policy and valuation principles for investments and note 37 for credit risk management related to investments.

Note - 6 Income Tax Asset (Net)

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Income Tax Asset (Net)	153	30
Total Income Tax Asset (Net)	153	30

Note - 7 Other Financial Assets

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Other Income Receivables	258	59
Total Other Financial Asset	258	59

Note - 8 Other Assets

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Other Non - Current Assets		
Security Deposit	84	46
Advances for Capital Goods	1,401	1,991
Balance with Govt. authorities	4	23
TOTAL OTHER NON CURRENT ASSETS (A)	1,489	2,060
Other Current Assets		
Advances to Supplier for Goods & Services	181	192
Prepaid Expenses	74	75
Balances with Government Authorities	9	23
Other Receivables	14	33
TOTAL OTHER CURRENT ASSETS (B)	278	323
TOTAL OTHER ASSETS (A+B)	1,767	2,383

Note - 9 Inventories (Valued at Cost or Net Realisable Value whichever is lower)

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Raw Material	4,564	4,730
Work In Progress	18	16
Finished Goods	203	971
Stock in trade	18	28
TOTAL INVENTORIES	4,803	5,745

Write-downs of inventories to net realisable value/reversal of provision for write-down, resulted in net loss/(gain) of ₹ 83.87 lacs [Previous year - 60.04 lacs]. These were recognised as an expense/(income) during the year in the Statement of Profit and Loss.

Note - 10 Trade Receivables

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Unsecured, Considered Good	7,478	10,028
Significant Increase in Credit Risk	593	160
Less: Provision for Expected Credit Loss	-263	-156
TRADE RECEIVABLES	7,808	10,032

Note - 11 Cash & Cash Equivalent

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Cash on Hand	1	1
Balances with Bank	-	-
In Current Accounts	105	945
Cheques on Hand	-	-
TOTAL CASH & CASH EQUIVALENT	106	946

Note - 12 Other Bank Balances

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Unpaid Dividend Bank Balances	40	42
Deposits with residual maturity for less than 12 months	90	690
TOTAL OTHER BANK BALANCES	130	732

Note:

The company is having its deposits with bank having maturity less than 12 months. The same are under lien against guarantees given by the bank.

Note - 13 Loans

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Loan to Staff	11	17
Inter-Corporate Deposit	118	105
TOTAL CURRENT LOANS	129	122

Note - 14 Share Capital

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
(a) Authorised Shares		
Equity Shares of ₹ 5 each	No of Share	30,000,000
	Amount(₹)	1,500
Issued & Subscribed Shares		
Equity Shares of ₹ 5 each	No of Share	23,224,600
	Amount(₹)	1,161
Paid up Shares		
Equity Shares of ₹ 5 each	No of Share	21,943,200
	Amount(₹)	1,097
TOTAL SHARE CAPITAL	1,097	1,097

(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares

	2019 - 2020		2018 - 2019	
	No	Amount(₹)	No	Amount(₹)
At the beginning of the period	21,943,200	1,097	21,943,200	1,097
Outstanding at the end of the period	21,943,200	1,097	21,943,200	1,097

(c) Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(d) Details of Shareholders

	As at March 31, 2020		As at March 31, 2019	
	No.	% of total holding	No	% of total holding
	Equity Share of ₹5 each		Equity Share of ₹5 each	
Maheshbhai J Chandra	1,969,242	8.97%	1,969,242	8.97%
Jayantibhai J Chandra	1,351,742	6.16%	1,351,742	6.16%
Dharmendrabhai J Chandra	1,267,326	5.78%	1,267,326	5.78%
HDFC Small Cap	1,216,635	5.54%	-	0.00%
Harishbhai J Chandra	1,164,786	5.31%	1,164,786	5.31%
Aditya Birla Sunlife Trustee Company Pvt Limited	1,037,854	4.73%	1,233,060	5.62%
HDFC Trustee Company Limited	1,037,854	4.73%	1,798,021	8.19%

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

Note - 15 Other Equity

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
(a) Capital Reserves	30	30
(b) Share Premium Account	478	478
(c) General Reserve	2,094	2,094
(e) Share Forfeiture	23	23
(d) Retained Earning		
Balance at the beginning of the year	22,137	18,216
Profit for the year	5,239	5,312
Actuarial Gain/loss on defined benefit plans	-46	-3
Final Dividend	-274	-549
Tax on Final Dividend	-56	-113
Interim Dividend	-329	-603
Tax on Interim Dividend	-68	-124
Balance in Retained Earning	26,603	22,137
TOTAL OTHER EQUITY	29,228	24,763

Note - 16 Provisions

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Non - Current Provision		
Warranty Claim	73	-
TOTAL NON - CURRENT PROVISIONS (A)	73	-
Current Provision		
Provision for Employee Benefits		
Gratuity	119	46
Leave Salary	-	1
Sub-Total	119	47
Other Provisions		
Provision for After Sales Activities	153	180
Provision for Warranty Claims	93	225
Provision for Purchase of Goods	-	16
Provision for Expected Credit Loss on Risk Sharing Arrangement	48	-
Sub-Total	294	421
TOTAL CURRENT PROVISIONS (B)	413	468
TOTAL PROVISION (A+B)	486	468

Provision for After Sales Activities

The estimated liability for after sales activities are recorded when products are sold. The estimate of such after sales activities related costs is revised annually.

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
At the beginning of the year	180	142
Arising during the year	198	233
Utilised during the year	225	195
At the end of the year	153	180

Provision for Warranties

Provision is made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period . These claims are expected to be settled in the next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
At the beginning of the year	225	158
Arising during the year	141	222
Utilised during the year	200	155
At the end of the year	166	225

Provision for Expected Credit Loss on Risk Sharing Arrangement

The company has entered into risk sharing arrangement with Cholamandalam Investment and Finance Co. Limited ("Chola") for sales of vehicle on finance. On account of this arrangement company has agreed to pay non-refundable delinquency fund ('Fund') of ` 2000/- per vehicle to Chola towards each of the vehicle sold under this arrangement, irrespective of the loan granted on the said vehicles which shall be used for setting off loss arising out of sale of vehicle repossessed/commission of default by customers.

In event of any vehicle financed under this arrangement is repossessed/surrendered due to non-payment of loan & default as per loan agreement and on sale of vehicle or on making 100% provisioning towards loan accounts than AAL agrees to share loss with Chola on the outstanding (principal & instalment) of loan accounts over and above 20% loss. Company has recognized the provision based on Ind AS - 109 'Financial Instruments'.

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
At the beginning of the year	-	-
Delinquency fund maintained with Chola	115	-
Provision made during the year	48	-
Utilised during the year	32	-
At the end of the year	131	-

The company has entered into risk sharing arrangement with IndusInd Bank Limited (IBL) for sales of vehicle on finance. On account of this arrangement company has agreed to buy back vehicles in case of default from customers for repayment of loan upto 20 Instalments to IBL. company has recognized the provision based on Ind AS - 109 'Financial Instruments'. However this arrangement is expired during the current year. Hence provision is not made during the year.

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
At the beginning of the year	-	9
Arising during the year	-	16
Utilised during the year	-	25
At the end of the year	-	-

Note - 17 Deferred Tax Liabilities

(i) Statement of Deferred Tax Liabilities

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Deferred tax liabilities		
On account of timing difference in		
Property, Plant and Equipment	437	616
Gross Deferred Tax Liabilities	437	616
Deferred tax assets		
On account of timing difference in		
Impairment of Property, Plant and Equipment	6	6
Lease Liability	18	-
Retiral and other benefits	30	16
Provision for bad/doubtful debts	66	55
Gross Deferred Tax Assets	120	77
Deferred Tax Liabilities	316	539

(ii) Movement in Deferred Tax Liabilities

(₹ in Lacs)

Particulars	Property, Plant & Equipment	Retiral and Other Benefits	Other Items	Total
At April 01, 2019	616	-16	-61	539
Charged				
to Profit & Loss	-179	-30	-29	-238
to Other Comprehensive Income	-	16	-	16
At March 31, 2020	437	-30	-90	316

Note - 18 Financial Liabilities

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Lease Liability	32	-
TOTAL FINANCIAL LIABILITIES	32	-
OTHER FINANCIAL LIABILITIES		
Unpaid Dividends*	40	42
*Investor Education and Protection Fund will be credited by amount (as and when due)		
Lease Liability	42	-
Expenses Payable	1,069	1,015
Dealer's Deposit	607	557
TOTAL OTHER FINANCIAL LIABILITIES	1,758	1,614

Note - 19 Other Current Liabilities

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Advances from Dealers	635	494
Statutory Dues	123	386
Others	18	1
TOTAL OTHER CURRENT LIABILITIES	776	881

Note - 20 Revenue From Operations

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Sales of Vehicles	59,005	63,401
Domestic	55,462	57,516
Export (Including Merchant Export)	3,543	5,885
Sales of Spares	2,746	2,734
Domestic	2,241	2,214
Export (Including Merchant Export)	505	520
Sales of Traded Goods		-
Total Sales	61,751	66,135

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Net Sales	61,751	66,135
Other Operating Revenue		
Export Incentive	120	192
Other Income	26	75
Payout Income	240	-
Commission Income	323	184
Technical Service Income	61	87
Scrap Sale	13	3
Other Operating Revenue	783	541
TOTAL REVENUE FROM OPERATIONS	62,534	66,676

(₹ in Lacs)

Particulars		March 31, 2020	March 31, 2019
Details of Product Sold under Broad Category - Domestic			
Cargo	Amount	23,538	25,435
	Nos.	17,227	19,525
Passenger	Amount	31,355	31,638
	Nos.	22,769	24,378
E-Rickshaw	Amount	569	444
	Nos.	715	610
Spares	Amount	2,241	2,213
TOTAL		57,703	59,730
Details of Product Sold under Broad Category - Export (Including Merchant Export)			
Cargo	Amount	221	762
	Nos.	189	670
Passenger	Amount	3,313	5,122
	Nos.	3,178	4,866
E-Rickshaw	Amount	9	-
	Nos.	4	-
Spares	Amount	505	520
TOTAL		4,048	6,405

Note - 21 Other Income

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Gain on Sale /Revaluation of Mutual Fund	46	279
Interest on		
Bank Fixed Deposit	26	68
Other Deposits	3	-
Interest on Dealer Outstanding	124	243
Interest Income on ICD	5	2
Corporate Guarantee Fee	78	72
Profit on Sale of Fixed Assets	17	14
Rent	15	9
TOTAL OTHER INCOME	314	687

Note - 22 Changes in Inventories of Finished Goods and Work-in-Progress

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Work in Progress		
Opening Stock	16	16
Closing Stock	18	16
	-2	-
Finished Goods		
Opening Stock	971	812
Closing Stock	204	971
	767	-159
Stock in Trade		
Opening Stock	28	33
Closing Stock	18	28
	10	5
TOTAL CHANGES IN INVENTOREIS	775	-154

Note - 23 Employee Benefit Expenses

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Salary, Wages & Bonus	4,436	3,894
Directors Remuneration	365	311
Contribution to Provident Fund and Gratuity (note -35)	332	286
Staff Welfare Expenses	322	277
TOTAL EMPLOYEE BENEFIT EXPENSES	5,455	4,768

Note - 24 Finance Cost

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Interest on Dealer Deposits	32	38
Interest on Income Tax	22	22
Interest on Working Capital Term Loan	12	-
Other Borrowing Cost	29	26
Interest on Lease Liability	8	-
TOTAL FINANCE COST	103	86

Note - 25 Depreciation & Amortisation

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Depreciation on Property, Plant and Equipment	592	550
Amortisation of Right to use Asset	44	-
Depreciation on Investment Property	4	4
TOTAL DEPRECIATION & AMORTISATION	640	554

Note - 26 Other Expenses

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Advertising & Sales Promotion	1,354	876
Travelling & Conveyance	609	550
Freight & Forwarding Expense	469	608
Product Development Expense	434	209
Warranty & After Sales Services	333	431
Power & Fuel	294	288
Repairs to Machinery	198	161
Repairs to Others	197	185
Legal & consultancy Charges	180	117
CSR expenditure	151	102
Other miscellaneous expenses	149	96
Office Admin Expenses	111	81
Provision for Expected Credit Loss	107	46
Repairs to Buildings	83	69
Testing Expenses	63	129
Printing & Stationary	43	35
Rent	41	86
Rates and taxes	31	49
Communication Cost	27	31

Note - 26 Other Expenses (Contd.)

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Insurance	19	43
Loss on Sales of Assets	11	-
Windmill Operation Charges	10	9
Donation	8	6
Payment to Auditor	8	7
Director's Sitting Fees	7	6
Foreign Exchange Rate Difference	-77	43
TOTAL OTHER EXPENSES	4,859	4,263
Payment to Auditor includes		
For Audit Fee	5	5
For Limited Review	2	2
Reimbursement expense	1	-
TOTAL	8	7

Note - 27 Tax Expenses

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Current tax on profits for the year	1,741	2,834
Adjustment for current tax of prior periods	-70	42
	1,671	2,876
Deferred Tax	-207	7
TOTAL TAX EXPENSES	1,464	2,883
Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate		
Profit Before Tax	6,703	8,195
Tax at the Indian tax of 25.168% (Previous Year - 34.944%)	1,687	2,864
Tax effect of amount which are not deductible (taxable) in calculating taxable income :		
Donation expense which is not allowable	21	20
Interest on Income tax	5	8
Adjustment for current tax of prior period	-	42
Rent Expense as per Ind AS 116	1	-
Others	-	4
Tax effect of amount which are deductible (non-taxable) in calculating taxable income :		
Weighted deduction for research & development expenditure	-	-22
Deduction for profit from specified undertaking	-	-27
Deduction for wages paid to additional employees	-19	-4
Other Deductions	-20	-1
Adjustment for current tax of prior period	-60	-
Reduction in Deferred Tax due to change in tax rate	-151	-
TOTAL	1,464	2,884

Note - 28 Earning Per Share

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Net profit as per statement of Profit & Loss	5,239	5,312
Weighted average number of shares outstanding during the year (Nos)	21,943,200	21,943,200
Earning per share (Basic & Diluted)	23.88	24.21
Face Value per Share ₹	5.00	5.00

Note - 29 Contingent Liabilities not Acknowledged as Debt

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Sales Tax	27	28
Excise Duty	1	-
Income Tax	108	158
Case Pending before Consumer Forum	50	58
Case filed by investor for non allotment of right issue shares	-	13
Pending C form	-	223
Outstanding amount of share of loan given by finance company to end user and guaranteed by the company	9,138	-
Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	7,468	7,237
Amount of Guarantee is ₹ 11,500 lacs (₹ 11,500 lacs. in previous year)		
(Show-cause notices received from various Government Agencies & pending formal demand notices have not been considered as contingent liabilities.)		
There are numerous interpretative issues relating to the Supreme Court judgement on Provident Fund dated February 28, 2019. Based on company's evaluation of the provision on a prospective basis, the impact is not material		
TOTAL CONTINGENT LIABILITIES	16,792	7,717

Note - 30 Estimated Amount of Contracts Remaining to be Executed on Capital Accounts and Not Provided

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
For Purchase of Assets	1,272	2,536

Note - 31 Corporate Social Responsibility Expenditures During the Year

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Contribution to trusts/associations for preventive healthcare activities	-	4
Contribution to trusts/associations for education	11	5
Contribution to trusts/associations for national heritage and culture	25	3
Contribution to trusts/associations for benefits of War Widows/ their Dependents	-	36
Contribution to trusts/associations for promoting cleanliness	26	-
Contribution to trusts/associations for promoting Ensuring Environmental Sustainability	-	2
Contribution to trusts/associations for promoting healthcare	28	-
Contribution to trusts/associations for Eradicating hunger, poverty	61	53
TOTAL CSR EXPENDITURE	151	102

Note - 32 Lease

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
As a Lessor :		
The Company has given premises on operating leases. This lease arrangement is renewable for further period on mutually agreeable terms and also includes escalation clauses.		
The total future minimum lease rentals receivable at the balance sheet date is as under :		
Within one year	4	6
After one year but not more than five years	-	2
	4	8

As a Lessee :

The company has entered into commercial leases on office building. These leases have an average life of between one and three years with renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under non-cancellable operating leases are as follows:

Within one year	63	27
After one year but not more than five years	29	5
More than five years	-	-
	91	32

Note - 33 Exchange Difference Gain/-Loss Recognised in the Statement of Profit & Loss

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Relating to export during the year as a part of sales / other Income	93	10
On settlement of other transaction as part of other expenses & import	-16	-53
	77	-43

Note - 34 Particulars of Unhedged Foreign Currency at the Reporting Date

(₹ in Lacs)

Particulars		March 31, 2020	March 31, 2019
Export Trade Receivable	US\$	15	11
	₹	1,144	756
Import Trade Payable	US\$	-	-
	CNY¥	-	24
	₹	-	253

Note - 35 Employee Benefits**(a) Gratuity**

Payment for present liability of future payment of gratuity is being made to approved gratuity fund, which fully covers the same under Cash Accumulation Policy of the Life Insurance Corporation of India (LIC). However, any deficit in plan assets managed by LIC as compared to the liability on the basis of an independent actuarial valuation is recognised as a liability.

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Note - 35 Employee Benefits (Contd.)

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
<u>Amount Recognised in Balance Sheet</u>		
Present Value of funded defined benefit obligation	-541	-416
Fair Value of Plan Assets	422	370
Net Funded Obligation	-119	-46
<u>Expense Recognised in the statement of Profit & Loss</u>		
Current Service Cost	59	43
Past Service Cost	-	-
Interest on net defined benefit liability /(assets)	4	3
Total Expense Charged to Profit & Loss	63	46
<u>Amount recorded as other comprehensive income</u>		
Opening amount recognised in OCI outside profit & loss account	-40	-44
Remeasurements during the period due to	-	-
Actuarial (gain)/losses on obligation for the period	57	-1
Actual return on plan assets less interest on plan assets	4	5
Closing amount recognised in OCI outside profit & loss account	21	-40
<u>Reconciliation of net liability/(assets)</u>		
Opening net defined benefit liability/(assets)	46	40
Expense charged to profit & loss account	63	46
Amount recognised outside profit & loss account	61	4
Employer contributions	-51	-44
Closing net defined benefit liability/(assets)	120	46
<u>Movement in benefit obligation</u>		
Opening of defined benefit obligation	416	395
Current Service Cost	59	42
Interest on defined benefit obligation	32	31
Past Service cost	-	-
Remeasurements due to		
Actuarial Loss /(gain) arising from change in financial assumptions	59	3
Actuarial Loss /(gain) arising on account of experience changes	-2	-4
Actuarial Loss /(gain) arising from change in Demographic assumptions	-	-
Benefits paid	-24	-51
Closing of Defined benefit obligation	541	416
<u>Movement in Plan Assets</u>		
Opening Fair Value of Plan Assets	370	354
Employer contributions	51	44
Interest on plan assets	29	28
Remeasurements due to :-		
Actual return on plan assets less interest on plan assets	-4	-5
Benefits paid	-24	-51
Closing fair value of plan assets	422	370
<u>Disaggregation of Assets</u>		
Category of Assets		
Insurer managed funds	421	370
Others	-	-
Grand total	421	370

Key Actuarial Assumptions

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Discount rate (p.a)	6.88%	7.79%
Expected return on plan assets	7.79%	7.79%
Rate of salary increase	7.00%	7.00%
Rate of employee turnover	for service 4 years & below 15% p.a. & above 2% p.a.	

Sensitivity Analysis

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Projected Benefit Obligation on Current Assumptions	541	416
Delta Effect of +1% Change in Rate of Discounting	-64	-49
Delta Effect of -1% Change in Rate of Discounting	78	59
Delta Effect of +1% Change in Rate of Salary Increase	70	55
Delta Effect of -1% Change in Rate of Salary Increase	-61	-47
Delta Effect of +1% Change in Rate of Employee Turnover	1	6
Delta Effect of -1% Change in Rate of Employee Turnover	-1	-7

(b) Provident Fund

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

Note - 36 Disclosure of transaction with related parties as required by the Indian Accounting Standard - 24

(₹ in Lacs)

Name of related party and nature of relationship	Nature of transaction	March 31, 2020			March 31, 2019		
		Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.
Subsidiary							
Atul Green Automotive Private Limited	Contribution to equity (4,00,000 shares of ₹ 10 each)	39	40	Dr.	-	1.00	Dr.
Atul Greentech Private Limited	Contribution to equity (10,10,000 shares of ₹ 10 each)	101	101	Dr.	-	-	Dr.
	Total	140	141	Dr.	-	1.00	Dr.
Associate							
Khushbu Auto Finance Limited	Receipt of Lease/ Rent (Inclusive of Taxes)	18			10		
	Payment of Subvention Charges /Incentive	216			102		
	Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	7,468	-56	Cr.	7,237	-45	Cr.
	Amount of ₹11,500 Lacs Guarantee given on behalf of Associate						
	Purchase of seized vehicles	1			-		
	Corporate Guarantee Fee	91			86		
	Total	7,794	-56	Cr.	7,435	-45	Cr.
Key Management Personnel and Their Relatives :-							
Krunal J Chandra	Short term Employee Benefits	12	-		11	-	
Jayantibhai J Chandra	Short term Employee Benefits	157	-		138	-8	Cr.
Mahendra J Patel	Short term Employee Benefits	137	-8	Cr.	120	-7	Cr.
Niraj J Chandra	Short term Employee Benefits	75	-4	Cr.	59	-3	Cr.
Paras J Viramgama	Short term Employee Benefits	7	-		6	-	
Other entities :-							
Atul Auto Industries	Sale of Raw Material	-			-		
	Purchase of Raw Material Spares	675			757		
	Purchase of Fixed Asset	15	6	Dr.	5	-6	Cr.
	Other Expenses	4			-		
	Total	694	6	Dr.	762	-6	Cr.
Atul Motors Private Limited	Sale of Raw Material	-			-		
	Sales of Used Vehicles	3			4		
	Purchase of Fixed Asset	-	-		4	-	
	Other Expenses	1			2		
	Total	4	-		10	-	-
Khushbu Auto Private Limited	Sale (Inclusive of Tax)	6,344			5,499		
	Warranty Claims/After Sales Service/ PDI/WRC Charges/LGO Meet Expense	25			21		
	Discount on Vehicle Sales	87	1,537	Dr.	27	-26	Cr.
	Other Expense	-			-		
	Debit Note for Expenses	-			1		
	Total	6,456	1,537	Dr.	5,548	-26	Cr.

Note - 36 Disclosure of transaction with related parties as required by the Indian Accounting Standard - 24 (Contd.)

(₹ in Lacs)

Name of related party and nature of relationship	Nature of transaction	March 31, 2020			March 31, 2019		
		Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.
New Chandra	Sale (Inclusive of Tax)	216			207		
Motor Cycle Agency	Warranty Claims/After Sales Service/ PDI/WRC Charges/LGO Meet Exp	4			3		
	Discount on Vehicle Sales	3	23	Dr.	1	16	Dr.
	Debit Note for Expenses	-			-		
	Sales Incentive and Sales Promotion	-			-		
	Total	223	23	Dr.	211	16	Dr.
New Chandra	Sale (Inclusive of Tax)	49			112		
Motor Cycle House	Discount on Vehicle Sales	3	2	Dr.	4	-3	Cr.
	Purchase of Raw Material Spares	15			28		
	Total	67	2	Dr.	144	-3	Cr.

Note - 37 Financial Risk Management

(i) Financial Instrument by Category

(₹ in Lacs)

Financial Assets & Liabilities				
Particulars	March 31, 2020		March 31, 2019	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
Financial Assets				
<u>Investment in Mutual Fund</u>	-	-	946	
Trade Receivable		7,808		10,032
Cash & Cash Equivalents		106		946
Loans to Staff & Inter Corporate Deposit		129		122
Balance in Unpaid Dividend		40		42
Investment in Fixed Deposits		90		690
Other Income Receivable		258		59
<u>Investment in Equity Shares</u>				
(Unquoted)				
Khushbu Auto Finance Limited		1,321		1,321
Atul Green Automotives Private Limited		40		1
Atul Greentech Private Limited		101		
Total Financial Assets	-	9,892	946	13,213
Financial Liabilities				
Trade Payable		3,892	-	5,877
Unpaid Dividend		40	-	42
Outstanding Expenses		1,069	-	1,015
Dealers' Deposits		607	-	557
Total Financial Liabilities		5,608	-	7,491

(ii) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair value of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed by the Indian accounting standards. Explanation of each level as follows :-

Level - 1 Hierarchy includes financial instruments measured using quoted price. This includes mutual funds & listed equity shares that have quoted price. The mutual funds are valued using the closing NAV.

Level - 2 The fair value of financial instruments that are not traded in an active market (for example trade bond, over-the-counter derivatives) is determined using valuation technique which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value of instrument are observable, the instrument is included in Level-2.

Level - 3 If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

Financial Assets Measured at Fair Value Measurements Recurring:-

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Level - I		
Financial Investment at FVTPL		
Investment in Mutual Fund	-	946
Level - II	-	-
Level - III	-	-
Total -	946	

Valuation Techniques Used to Determine Fair Value :-

Open ended Mutual funds are valued at closing NAVs declared by its Assets Management Companies .

Fair Value of Financial Assets and Liabilities Measured at Amortised Cost :-

The carrying amounts of trade receivables, trade payable, other financial assets/liabilities, loans and cash & cash equivalents are considered to be the same as their fair values.

The company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Ageing analysis/ Credit Rating	Analysis of no. of overdue days and track record of debtors. Levy of interest on overdue balances of trade receivables.
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cashequivalents and marketable investments.
Market Risk- Foreign Exchange	Trade receivable from export transaction and trade payable for import transaction	Sensitivity analysis	Export of goods shall be made after receiving payments from customer and in other case original Bill of landing is held by company till payment received.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and investment of surplus liquidity. The Company's risk management is carried out by the finance department as per the policies approved by the Board of Directors.

Credit Risk :-

Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost and fair value through profit or loss and trade receivables.

Credit Risk Management

For other financial assets, the Company has an investment policy which allows the Company to invest only with counterparties having credit rating equal to or above AA+ and P1+. The company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as these are typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuous monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss on the basis of past data and experience. Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data, provided the Company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible, as evidenced in the table below, and hence no further provision than that already made is considered necessary.

Reconciliation of Provision for Expected Credit Loss – Trade Receivable

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Loss allowance as at the beginning of the year	-156	53
Addition in loss allowance during the year	-107	-209
Loss allowance as at the end of the year	-263	-156

Liquidity Risk :-

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements. Additionally, the Company has sizeable surplus funds invested in fixed income securities or instruments of similar profile ensuring safety of capital and availability of liquidity if and when required. Hence the Company does not perceive any liquidity risk.

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Net working capital funds	6,674	9,956
Which includes;		
i Cash & cash equivalents	106	946
ii Current Investment	-	946

Contractual maturities of significant financial liability as on 31 March 2020 & 31 March 2019

Maturities of Financial Liabilities

(₹ in Lacs)

Particulars	Less than & equal to 1 Year	More than 1 Year	Total
As at March 31, 2020			
Trade Payable	3,892	-	3,892
Other Financial Liabilities	1,715	-	1,715
	5,607		5,607
As at March 31, 2019			
Trade Payable	5,878	-	5,878
Other Financial Liabilities	1,614	-	1,614
	7,492		7,492

Market Risk :-**Foreign Currency Risk**

The Company operates, in addition to domestic markets, significantly in international markets through its exports and is therefore exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the US\$. Foreign exchange risk arises from highly probable forecast transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (₹).

Open Exposure

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Receivable (Amount in US\$)	15.18	10.94
Payable (Amount in US\$)	-	-
Payable (Amount in CNY ¥)	-	24.47

(₹ in Lacs)

Particulars	Currency	Change in Rate	Effect on PBT/pre tax Equity
Year Ended March 31, 2020	US\$	+10%	114
	US\$	-10%	-114
Year Ended March 31, 2019	US\$	+10%	76
	US\$	-10%	-76
	CNY ¥	+10%	-25
	CNY ¥	-10%	25

Note - 38 Impact of COVID-19

"The Manufacturing facilities and all offices of the Company were closed from March 25, 2020 following the countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its manufacturing facilities and all offices partially. Based on assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with customers, vendors and service providers, the Company is confident of obtaining regular supply of raw materials and components, resuming supply chain logistics and serving customers.

The Company has considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivables and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of the financial results, has used external and internal sources of information/ indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered. Hence, company has estimated nil impact of COVID-19 in the financial results for the quarter and year ended March 31, 2020. The impact of the COVID-19 on the Company's Audited financial results may differ from that estimated as at the date of approval of these results."

Note - 39 Transaction of loans, investment, guarantees and securities given in respect of which provision of section 186 of the Companies Act, 2013 and are within limits.

(₹ in Lacs)

Particulars	Investment	ICD	Guarantee	Purpose	Proposed Utilisation
Khushbu Auto Finance Limited	1,452		-	Investment in associate	Amount is proposed to be utilised by associate company for its three wheeler finance business as well as financing other product for risk diversification.
Khushbu Auto Finance Limited			11,500	Amount of loans sanctioned to Associate company for which guarantee is given to Bank on behalf of an Associate	
Cholamandalam Investment and Finance Co. Limited			9,138	For finance of three wheelers of the company to end user and guaranteed by the company	For purchase of company's three wheeler by end user
JBM Cadmium Private Limited		105		Inter Corporate Deposits for business purpose	General Corporate purpose
	1,452	105	20,638		

Note - 40 Others

Previous year figures are regrouped, re arranged & re casted wherever necessary.

INDEPENDENT AUDITORS' REPORT

on the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

To the Members of ATUL AUTO LIMITED

Opinion

We have audited the accompanying consolidated Ind AS financial statement of ATUL AUTO LIMITED ('the Holding Company') and its Subsidiary (collectively referred to as 'the Company' or 'the Group') and its associate; (refer no. 1 to the attached consolidated financial statement) comprising of the consolidated balance sheet as at March 31, 2020, the consolidated statement of profit and loss (including other Comprehensive income), the consolidated cash flow statement and the consolidated statement of change in equity for the year ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as consolidated financial statements).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and other financial information of the subsidiary & associates, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at March 31, 2020, consolidated profit, their consolidated cash flow and consolidated change in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI)

together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We would like to draw your attention to Note No. 11 of the Consolidated Financial Statements which states the management's estimation of impact of COVID-19 on financial statements of the company for the year ended March 31, 2020

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated financial statements for the financial year ended March 31, 2020. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the 'Auditor's responsibilities for the audit of the Consolidated financial statements' section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the Consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matter
1. Evaluation of consolidation process		
	<p>The Group's consolidation process is complex on account of its conversion of financial statements of Associate into Ind AS which were prepared under Previous GAAP.</p> <p>The consolidation process includes evaluation of the significant influence, alignment of Associate accounting policies with that of parent, and resultant tax adjustments which may require a high level of judgment.</p>	<p>We performed the following key audit procedures:</p> <ul style="list-style-type: none">Assessed the design, implementation and operating effectiveness of key controls in respect of Group's process of consolidation and management's procedures for alignment of group accounting policies, consolidation adjustments, and the resultant tax impact;Read the underlying documents relating to significant group entities, including agreements to review the management's evaluation of significant influence;Tested the relevant general IT and applications controls over the consolidation process to confirm the appropriateness of the alignment of Associate accounting policies with that of parent; andEvaluated whether the methodology applied by management for alignment of accounting policies is appropriate by reading the accounting policies of the significant group entities and matching it with the Group's accounting policies.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matter
2. Impairment loss allowance in the Non-Banking Finance Company		
	<p>Within the Non-Banking Finance Company, the Group has recognized impairment loss allowance as March 31, 2020.</p> <p>The determination of impairment loss allowance is inherently judgmental and relies on managements' best estimate due to the following:</p> <ul style="list-style-type: none"> Increased level of data inputs for capturing the historical data to calculate the Probability of Default ('PDs') and Loss Given Default ("LGD") and the completeness and accuracy of that data; Use of management overlays for considering the probability weighted scenarios, the forward looking macro-economic factors and the timing of cash flows; and Criteria selected to identify significant increase in credit risk. 	<p>We performed the following key audit procedures:</p> <ul style="list-style-type: none"> Assessed the design and implementation of controls in respect of the Associate's loan loss impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management; Tested the relevant general IT and applications controls over key systems used in the impairment allowance processes. Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant generally accepted accounting principles and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings Tested the periods considered for capturing underlying data as base to PD and LGD calculations, are in line with Company's recent experience of past observed periods; and Assessed whether the key judgments, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient in accordance with Ind AS 109.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the

Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of

assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

1. We did not audit the financial statement of subsidiary company, whose financial statement reflect assets of Rs. 0.33 Lacs and Capital WIP of Rs. 42.80 Lacs as at March 31, 2020 total revenue nil, net loss of Rs. 13.48 Lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditor, whose audit report together with the financial statement, and other financial information have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.
2. Associate Company is Non - Banking Financial Corporation and as per Rule 4(1)(iv) of The Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods ending on March 31, 2020 with comparatives for period ending March 31, 2019, but it is not required to comply with Ind AS as company is not covered in criteria provided therein. However as per explanation to Rule 4(1)(iv) of Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 such companies need to provide relevant financial statement data which is in accordance accounting policies followed by parent company. Consolidation of Associate is made on the basis of relevant financial statement data provided by associate which is in accordance with the accounting policies followed by the parent company for consolidation purposes.

Our opinion on the consolidated financial statement and our report on other legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditor and the financial statement/financial information certified by the management.

Report on other legal and regulatory requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a. We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the

- purpose of our audit of the aforesaid consolidated financial statements;
- b. In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as appears from our examination of those books and reports of the other auditors;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated financial statements.
 - d. In our opinion, the aforesaid consolidated Ind AS Financial Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us;
 - i. The consolidated financial statements disclose the impact, if any, of pending litigations on its financial position in its financial statements refer note 10 to the consolidated financial statements.
 - ii. There are no long-term contracts including derivative contracts, hence the question of reporting any material foreseeable losses does not arise;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company.

For Kamlesh Rathod & Associates

Chartered Accountants
FRN:117930W

Kamlesh Rathod

Partner

Membership No: 101046

UDIN: 20101046AAAAAG9118

Signed at Shapar (Dist. Rajkot) on June 27, 2020

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, read with Schedule V of the Act.

ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls over financial reporting under Clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the act')

In Conjunction with our audit of the consolidated financial statements of Atul Auto Limited as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of the group and its associate company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group and its associate company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, and accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the company's internal financial controls over financial reporting of the Parent, its subsidiary and associate companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors in terms of their report referred to in other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Control over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of the management and directors of the company; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatement due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the company and its subsidiary and associate which are companies incorporated in India have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020 based on the internal control over financial reporting criteria established by the Group and its associate company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial

Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

However, looking to the expansion of the group in terms of volume & capital expenditure either separate audit division or an appointment of external audit professional is suggested. Our opinion is not modified for this matter.

Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to one subsidiary and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

For Kamlesh Rathod & Associates

Chartered Accountants

FRN:117930W

Kamlesh Rathod

Partner

Membership No.101046

UDIN: 20101046AAAAAG9118

Signed at Shapar (Dist. Rajkot) on June 27, 2020

CONSOLIDATED BALANCE SHEET as at March 31, 2020

(₹ in Lacs)

Sr. No.	Particulars	Note No.	March 31, 2020	March 31, 2019
	ASSETS			
(1)	Non-current Assets			
	(a) Property, Plant and Equipment	2	9,210	9,336
	(b) Capital Work-in-Progress	2	11,700	3,660
	(c) Right of use Asset	2	69	-
	(d) Investment Property		31	35
	(e) Financial Assets			
	(i) Investments	3	1,793	1,657
	(f) Income Tax Assets (Net)		154	30
	(g) Other Non-current Assets	5	1,586	2,060
	Total Non-Current Assets		24,543	16,778
(2)	Current assets			
	(a) Inventories		4,803	5,745
	(b) Financial Assets			
	(i) Investments		-	946
	(ii) Trade Receivables		7,808	10,032
	(iii) Cash and Cash Equivalents	6	113	947
	(iv) Other Bank Balance		130	731
	(v) Loans		115	122
	(vi) Other Financial Assets		258	59
	(c) Other Current Assets		278	323
	Total Current Assets		13,505	18,905
	Total Assets		38,048	35,683
	EQUITY AND LIABILITIES			
	EQUITY			
	(a) Equity Share Capital		1,097	1,097
	(b) Other Equity	7	29,685	25,098
	Total Equity		30,782	26,195
	LIABILITIES			
(3)	Non-current Liabilities			
	(a) Financial liability			
	(i) Lease Liability		32	-
	(b) Provisions		73	-
	(c) Deferred Tax Liabilities (Net)		316	539
	Total Non-Current Liabilities		421	539

CONSOLIDATED STATEMENT OF PROFIT & LOSS for the year ended March 31, 2020

(₹ in Lacs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
1	REVENUE FROM OPERATIONS			
a	Gross Sales		61,751	66,135
b	Other Operating Income		783	541
	TOTAL INCOME FROM OPERATIONS		62,534	66,676
2	Other Income		314	687
3	TOTAL INCOME		62,848	67,363
4	EXPENSES			
a	Cost of Materials Consumed		44,313	49,651
b	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		775	-154
c	Employee Benefits Expenses		5,455	4,768
d	Finance Costs		103	86
e	Depreciation and Amortisation Expenses		640	554
f	Product Development Expense	8	434	209
g	Other Expenses	8	4,440	4,054
5	TOTAL EXPENSES		56,160	59,168
6	Profit Before Exceptional Items		6,688	8,195
7	Exceptional Items		-	-
8	Profit Before Tax		6,688	8,195
9	Tax Expenses		1,464	2,883
a	Current Tax		1,671	2,876
b	Deferred Tax		-207	7
10	Profit for the Period		5,224	5,312
	Share of Profit/- Loss of Associate		136	193
11	Other Comprehensive Income, Net of Tax		-46	-3
a	Items that will not be reclassified to profit or loss		-46	-3
b	Items that will be reclassified to profit or loss		-	-
12	Total Comprehensive Income for the Period (10+11)		5,314	5,502
13	Earnings Per Equity Share			
	Basic & Diluted	9	24.42	25.09

The accompanying notes form an integral part of the consolidated financial statements.

As per our report of even date attached

For Kamlesh Rathod & Associates

Chartered Accountants

FRN: 117930W

Kamlesh Rathod

Partner

Membership No.: 101046

Placed: Shapar (Dist. Rajkot) on June 27, 2020

UDIN: 20101046AAAAAG9118

For and on behalf of Board of Directors of
Atul Auto Limited

J J Chandra

Chairman and Managing Director

DIN : 00057722

M J Patel

Whole time Director & CFO

DIN : 00057735

Paras J Viramgama

Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOW for the year ended March 31, 2020

(₹ in Lacs)

Sr. No.	Particulars	March 31, 2020	March 31, 2019
A.	Cash flow from Operating Activities		
	Net Profit Before Taxation	6,824	8,388
	<u>Adjustment for:</u>		
	Add:-		
	Provision for Doubtful Debts	107	46
	Depreciation & Impairment	640	554
	Loss/(Profit) on Sale of Fixed Assets	-6	-14
	Finance Cost	103	86
	Interest on Lease Liability	8	-
	Sub Total	852	672
	Less :-		
	Share of Profit from Associate	-136	-193
	Profit on Redemption/Revaluation of Mutual Fund	-46	-279
	Interest received on Fixed Deposits	-31	-71
	Rent Expense paid for lease classified under Ind AS 116	-47	
	Unrealised Foreign Exchange Gain/(Loss)	-53	-43
	Sub Total	-313	-586
	Operating Profit Before Working Capital Changes	7,363	8,474
	<u>Movements in Working Capital:</u>		
	Decrease/-Increase in Trade Receivable	2,170	-2,213
	Decrease/-Increase in Inventories	942	-1,141
	Decrease/-Increase in Loans and Other Assets	-165	-89
	Increase/-Decrease in Trade Payables	-2,649	778
	Increase/-Decrease in Liabilities/Provisions	19	441
	Total Movement in Working Capital	317	-2,224
	Cash Generated from Operations	7,680	6,250
	Direct Taxes Paid (Net of Refunds)	-1,940	-2,732
	NET CASH FROM OPERATING ACTIVITIES	5,740	3,518
B.	Cash Flow from Investing Activities		
	Purchase of Fixed Assets	-7,502	-6,025
	Proceeds from Sale of Fixed Assets	44	18
	Proceeds from Sale of Mutual Fund	992	3,867
	(Increase)/Decrease in Other Bank Balance	604	-593
	Inter Corporate Deposit	-	-105
	Interest Received on Fixed Deposits	31	71
	NET CASH FLOW FROM INVESTING ACTIVITIES	-5,831	-2,767
C.	Cash flow from Financing Activities		
	Dividend Paid	-603	-1,152
	Tax on Dividend Paid	-124	-237
	Increase in Lease Liability	74	-
	Interest on lease Liability	-8	-
	Other Borrowing Cost	-81	-64
	NET CASH CLOW FROM FINANCING ACTIVITIES	-742	-1,453
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	-834	-702

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

for the year ended March 31, 2020

- 1 (a) The consolidated financial statements comprise financial statements of Atul Auto Limited (the 'Company'), its subsidiaries and associate (collectively, the 'Group') for the year ended March 31, 2020. The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on June 27, 2020.
- (b) The consolidated financial statements include results of the subsidiaries company and Associate company of Atul Auto Limited; consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and Ind AS 28 'Investment in Associates and Joint Ventures'.

Sr. No	Name of Company	Country of Incorporation	% Holding of AAL	% of Holding by others	Consolidated as
1	Atul Green Automotive Private Limited	India	100	-	Wholly-owned Subsidiary
2	Atul Greentech Private Limited	India	100	-	Wholly-owned Subsidiary
3	Khushbu Auto Finance Limited	India	30	70	Associate

- (c) "These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the 'Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.
- The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.
- The financial statements are presented in ₹, which is also the Company's functional currency and all values are rounded to the nearest lacs (₹ ,00,000), except when otherwise indicated.
- All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Act. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities."
- (d) Accounting policies applicable in consolidated financial statements
- (i) The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.
- (ii) Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.
- (iii) Khushbu Auto Finance Limited is Non Banking Financial Company and as per Rule 4(1)(iv) of The Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 companies (Indian accounting standards) rules, NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2018, with comparatives for the periods ending on 31st March, 2018, or thereafter but it is not covered in criteria provided therein. However, as per explanation to Rule 4(1)(iv) of Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 such companies need to provide relevant financial statement data which is in accordance accounting policies followed by parent company. Consolidation of Khushbu Auto Finance Limited is made on the basis of relevant financial statement data provided by associate which is in accordance with the accounting policies followed by the parent company for consolidation purposes.

Accounting policies followed by Associate :-

Company has recognized its income by effective interest method, amortized processing fees and made provision for expected credit loss on its outstanding which is in accordance with Ind AS - 109.

Note - 2. Property, Plant and Equipment

Current Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at March 31, 2020
Freehold Land	4,173	38	-	4,211	-	-	-	-	4,211
Buildings	1,976	67	-	2,043	694	69	-	763	1,280
Plant & Machinery (Including Electric Fitting)	7,408	167	85	7,490	3,883	441	78	4,246	3,244
Furniture & Fittings	238	1	-	239	151	0	-	151	88
Computer	290	19	-	309	241	22	-	263	46
Office Equipment	142	4	-	146	126	7	-	133	13
Vehicles	457	209	140	526	253	54	109	198	328
TOTAL	14,684	505	225	14,964	5,348	593	187	5,754	9,210
Capital Work in Progress	3,660	8,121	81	11,700	-	-	-	-	11,700
Leasehold Assets (Right-to-Use Assets)	-	112	-	112	-	43	-	43	69

Previous Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at March 31, 2019
Freehold Land	3,909	264	-	4,173	-	-	-	-	4,173
Buildings	1,946	-	-30	1,976	614	68	-12	694	1,282
Plant & Machinery (Including Electric Fitting)	6,583	934	109	7,408	3,578	412	107	3,883	3,525
Furniture & Fittings	238	-	-	238	151	-	-	151	87
Computer	254	36	-	290	223	18	-	241	49
Office Equipment	135	7	-	142	119	7	-	126	16
Vehicles	456	33	32	457	235	48	30	253	204
TOTAL	13,521	1,274	111	14,684	4,920	553	125	5,348	9,336
Capital Work in Progress	526	3,719	585	3,660	-	-	-	-	3,660

Note :-

- As per Ind AS - 40 'Investment Property' assets which is held to earn rentals or for capital appreciation or both is treated as investment property. During the year certain lease agreement for rental of building is modified with reduction in floor area so, certain Investment property amounting ₹ 17.37 Lacs (Previous Year ₹ 44.61 Lacs), is transferred to Property Plant & Equipment.
- Refer to clause 3 of notes to significant accounting policies (* Depreciation amount includes impairment loss of ₹ 18.02 Lacs for current and pervious period)

Note - 3 Investments

(₹ in Lacs)

Particulars		March 31, 2020	March 31, 2019
Investment in Associates (Unquoted)		1,793	1,657
1,18,20,000 equity shares of ₹ 10 each in Khushbu Auto Finance Limited			
Extent of Holding		30.00%	30.00%
Aggregate Amount of Unquoted Investment		1,793	1,657
Total Non Current Investments		1,793	1,657
Investment in Mutual Fund			
Investment carried at Fair Value through Profit & Loss			
Quoted			
	Units		
Birla Sun Life Cash Plus - Direct Plan [Growth] (Units: CY - Nil, PY - 81,563.738)		-	245
IDBI Liquid Fund [Growth] (Units: CY - Nil, PY - 4,997.212)		-	100
Tata Liquid Fund (Units: CY - Nil, PY - 10,197.232)		-	300
SBI Liquid Fund [Growth] (Units: CY - Nil, PY - 10,258.949)		-	301
Total Current Investments		-	946
Total Investments		1,793	2,603

Note - 4 Intangible Assets
Current Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at April 01, 2019	Additions	Deductions/-Adjustments	As at March 31, 2020	As at March 31, 2020
Product Development	195	-	-	195	195	-	-	195	0
ERP System	127	-	-	127	127	-	-	127	-
TOTAL	322	-	-	322	322	-	-	322	0

Previous Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at April 01, 2018	Additions	Deductions/-Adjustments	As at March 31, 2019	As at March 31, 2019
Product Development	195	-	-	195	195	-	-	195	-
ERP System	127	-	-	127	127	-	-	127	-
TOTAL	322	-	-	322	322	-	-	322	-

Note - 5 Other Non-current Assets

(₹ in Lacs)

Particulars		March 31, 2020	March 31, 2019
Security Deposit		84	46
Advances for Capital Goods		1,498	1,991
Balance with Government Authorities		4	23
Total Other Non-current Assets		1,586	2,060

Note - 6 Cash & Cash Equivalent

(₹ in Lacs)

Particulars		March 31, 2020	March 31, 2019
Cash on Hand		1	1
Balances with Bank		-	-
In Current Accounts		112	946
Cheques on Hand		-	-
Total Cash & Cash Equivalents		113	947

Note - 7 Other Equity

(₹ in Lacs)

Particulars		March 31, 2020	March 31, 2019
(a) Capital Reserves		30	30
(b) Share Premium Account		478	478
(c) General Reserve		2,094	2,094
(d) Retained Earning			
Balance at the beginning of the year		22,473	18,359
Total Comprehensive Income		5,314	5,502
Final Dividend		-274	-548
Tax on Final Dividend		-56	-113
Interim Dividend		-329	-603
Tax on Interim Dividend		-68	-124
Balance in Retained Earning		27,060	22,473
(e) Share Forfeiture		23	23
Total Other Equity		29,685	25,098

Note - 8 Other Expenses

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Advertising & Sales Promotion	1,354	876
Travelling & Conveyance	609	550
Freight & Forwarding Expenses	469	608
Product Development Expense	434	209
Warranty & After Sales Services	333	431
Power & Fuel	294	288
Repairs to Machinery	198	161
Repairs to Others	197	185
Legal & Consultancy Charges	180	117
Other Miscellaneous Expenses	164	96
CSR Expenditure	151	101
Office Admin Expenses	111	81
Provision for Doubtful Debt	107	46
Repairs to Buildings	83	69
Testing Expenses	63	129
Printing & Stationary	43	35
Rent	41	86
Rates and Taxes	31	49
Communication Cost	27	31
Insurance	19	43
Loss on Sales of Asset	11	-
Windmill Operation Charges	10	9
Donation	8	7
Payment to Auditor	8	7
Director's Sitting Fees	7	5
Foreign Exchange Rate Diff. Exp.	-77	43
Total Other Expenses	4,874	4,263

Note - 9 Earning Per Share

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Net profit as per statement of Profit & Loss	5,360	5,505
No. of Shares (Face value of ₹ 5/- each)	2,19,43,200	2,19,43,200
EARNING PER SHARE	24.42	25.09

Note - 10 Contingent Liabilities not Acknowledged as Debt

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
Sales Tax	27	27
Excise Duty	1	-
Income Tax	108	158
Case Pending Before Consumer Forum	50	58
Case Filed by Investor for Non Allotment of Right Issue Shares	-	13
Pending C form	-	223
Outstanding amount of share of loan given by finance company to end user and guaranteed by the company	9,138	-
Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	7,468	7,237
Amount of Guarantee is ₹ 11,500 lacs		
(Show -cause notices received from various Government Agencies & pending formal demand notices have not been considered as contingent liabilities.)		
Total Contingent Liabilities	16,792	7,717

Note - 11 Impact of COVID-19

The Manufacturing facilities and all offices of the Company were closed from March 25, 2020 following the countrywide lockdown due to COVID-19. The Company has since obtained required permissions and restarted its manufacturing facilities and all offices partially. Based on assessment of the impact of COVID-19 on the operations of the Company and ongoing discussions with customers, vendors and service providers, the Company is confident of obtaining regular supply of raw materials and components, resuming supply chain logistics and serving customers

The Company has considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments,

Inventories, Trade Receivable and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of the financial results, has used external and internal sources of information/ indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered. Hence, company has estimated nil impact of COVID-19 in the financial results for the quarter and year ended 31st March, 2020. The impact of the COVID-19 on the Company's Audited financial results may differ from that estimated as at the date of approval of these results.

Note - 12 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNTS AND NOT PROVIDED

(₹ in Lacs)

Particulars	March 31, 2020	March 31, 2019
For Purchase of Assets	2,393	2,536

Note - 13 Disclosure of transaction with related parties as required by the Indian Accounting Standard - 24

(₹ in Lacs)

Name of related party and nature of relationship	Nature of transaction	March 31, 2020			March 31, 2019		
		Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.
Subsidiary							
Atul Green Automotive Private Limited	Contribution to equity (4,00,000 shares of ₹ 10 each)	39	40	Dr.	-	1.00	Dr.
Atul Greentech Private Limited	Contribution to equity (10,10,000 shares of ₹ 10 each)	101	101	Dr.	-	-	Dr.
	Total	140	141	Dr.	-	1.00	Dr.
Associate							
Khushbu Auto Finance Limited	Receipt of Lease/ Rent (Inclusive of Taxes)	18			10		
	Payment of Subvention Charges /Incentive	216			102		
	Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	7,468	-56	Cr.	7,237	-45	Cr.
	Amount of ₹11,500 Lacs Guarantee given on behalf of Associate						
	Purchase of seized vehicles	1			-		
	Corporate Guarantee Fee	91			86		
	Total	7,794	-56	Cr.	7,435	-45	Cr.
Key Management Personnel and Their Relatives :-							
Krunal J Chandra	Short term Employee Benefits	12	-		11	-	
Jayantibhai J Chandra	Short term Employee Benefits	157	-		138	-8	Cr.
Mahendra J Patel	Short term Employee Benefits	137	-8	Cr.	120	-7	Cr.
Niraj J Chandra	Short term Employee Benefits	75	-4	Cr.	59	-3	Cr.
Paras J Viramgama	Short term Employee Benefits	7	-		6	-	
Gurbeer Singh	Short term Employee Benefits	32	-		-	-	
Other entities :-							
Atul Auto Industries	Sale of Raw Material	-			-		
	Purchase of Raw Material Spares	675			757		
	Purchase of Fixed Asset	15	6	Dr.	5	-6	Cr.
	Other Expenses	4			-		
	Total	694	6	Dr.	762	-6	Cr.
Atul Motors Private Limited	Sale of Raw Material	-			-		
	Sales of Used Vehicles	3			4		
	Purchase of Fixed Asset	-	-		4	-	
	Other Expenses	1			2		
	Total	4	-		10	-	-
Khushbu Auto Private Limited	Sale (Inclusive of Tax)	6,344			5,499		
	Warranty Claims/After Sales Service/ PDI/WRC Charges/LGO Meet Expense	25			21		
	Discount on Vehicle Sales	87	1,537	Dr.	27	-26	Cr.
	Other Expense	-			-		
	Debit Note for Expenses	-			1		
	Total	6,456	1,537	Dr.	5,548	-26	Cr.

Note - 13 Disclosure of transaction with related parties as required by the Indian Accounting Standard - 24 (Contd.)

(₹ in Lacs)

Name of related party and nature of relationship	Nature of transaction	March 31, 2020			March 31, 2019		
		Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.
New Chandra	Sale (Inclusive of Tax)	216			207		
Motor Cycle Agency	Warranty Claims/After Sales Service/ PDI/WRC Charges/LGO Meet Exp	4			3		
	Discount on Vehicle Sales	3	23	Dr.	1	16	Dr.
	Debit Note for Expenses	-			-		
	Sales Incentive and Sales Promotion	-			-		
	Total	223	23	Dr.	211	16	Dr.
New Chandra	Sale (Inclusive of Tax)	49			112		
Motor Cycle House	Discount on Vehicle Sales	3	2	Dr.	4	-3	Cr.
	Purchase of Raw Material Spares	15			28		
	Total	67	2	Dr.	144	-3	Cr.

Note - 14 Other Notes

Previous year figures are regrouped, re arranged & re casted wherever necessary.

FORM AOC-1

Statement Containing Salient Features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Sr. No.	Particulars	1	2
1	Name of the Subsidiary	ATUL GREEN AUTOMOTIVE PRIVATE LIMITED (Incorporated on February 12, 2018)	ATUL GREENTECH PRIVATE LIMITED (Incorporated on January 28, 2020)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2020 (Same as Holding Company)	March 31, 2020 (Same as Holding Company)
3	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable	Not Applicable
4	Share Capital	₹ 40.00 Lacs	₹ 101.00 Lacs
5	Reserves & Surplus	₹ 0.08 Lacs	₹ -13.80 Lacs
6	Total Assets	₹ 46.05 Lacs	₹ 143.78 Lacs
7	Total Liabilities	₹ 5.97 Lacs	₹ 56.58 Lacs
8	Investments	Nil	Nil
9	Turnover	Nil	Nil
10	Profit before Taxation	₹ 0.43 Lacs	₹ -13.80 Lacs
11	Provision for Taxation	₹ 0.11 Lacs	Nil
12	Profit after Taxation	₹ 0.32 Lacs	₹ -13.80 Lacs
13	Proposed Dividend	Nil	Nil
14	% of Shareholding	100%	100% ¹⁴

Notes:

- (i) M/s. Atul Green Automotive Private Limited was incorporated on February 12, 2018 and is yet to commence its operations.
- (ii) M/s. Atul Greentech Private Limited was incorporated on January 28, 2020 and is yet to commence its operations.
- (iii) Names of subsidiaries which have been liquidated or sold during the year - None.

Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures:

Sr. No.	Particular	1
1.	Name of the associate	KHUSHBU AUTO FINANCE LIMITED
2.	Shares of Associate held by the company on the year end	
	(i) No.	1,18,20,000
	(ii) Amount of Investment in Associates	₹ 1,321.13 Lacs
	(iii) Extend of Holding %	30%
3.	Description of how there is significant	There is a significant influence due to holding of 30% voting rights
4.	Reason why the associate is not consolidated	Not Applicable
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs.) (as per financial statement prepared in accordance with generally accepted accounting principles in India (Indian GAAP)	₹ 1,910 Lacs
6.	Profit/ Loss of the year	
	(i) Considered in Consolidation (As per financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.	₹ 136 Lacs
	(ii) Not Considered in Consolidation	Not Applicable

Notes:

- (i) Names of associates or joint ventures which are yet to commence operations - None
- (ii) Names of associates or joint ventures which have been liquidated or sold during the year – None
- (iii) The Company do not have any Joint Venture.

J J Chandra
Chairman and Managing Director
DIN : 00057722

M J Patel
Whole time Director & CFO
DIN : 00057735

Paras J Viramgama
Company Secretary

Shapar (Dist. Rajkot)
June 27, 2020

ATUL AUTO LIMITED

BUSINESS RESPONSIBILITY REPORT (BRR)

FOR THE FINANCIAL YEAR 2019-20

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company : L54100GJ1986PLC016999
2. Name of the Company : Atul Auto Limited
3. Registered address : Survey No. 86, Plot No. 1 to 4,
8B National Highway,
Near Microwave Tower,
Shapar (Veraval), Dist. Rajkot,
Gujarat, INDIA 360024
4. Website : www.atulauto.co.in
5. E-mail id : investorrelations@atulauto.co.in
6. Financial Year reported : 2019-20 (April 01, 2019 to March 31, 2020)
7. Sector(s) that the Company is engaged in (industrial activity code-wise) : Three Wheeler Automobiles; 30912
8. List three key products/services that the Company manufactures/provides (as in balance sheet) : Three Wheeler Automobiles
Spare Parts of Three Wheeler Automobiles
9. Total number of locations where business activity is undertaken by the Company
(a) Number of International Locations (Provide details of major 5): None
(b) Number of National Locations: 15
10. Markets served by the Company – Local/State/National/International: All

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR) : Rs.1,097 Lacs
2. Total Turnover (INR) : Rs.61,751 Lacs
3. Total profit after taxes (INR) : Rs.5,239 Lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) : 2.18%
5. List of activities in which expenditure in 4 above has been incurred:
 - (a) Eradicating Hunger and Poverty
 - (b) Education
 - (c) Healthcare
 - (d) Culture
 - (e) Environment Sustainability

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes It is signed by Chairman and Managing Director								
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
6	Indicate the link for the policy to be viewed online?	https://atulauto.co.in/corporate-governance-reports.aspx								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
8	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

Note: Though there is no formal consultation with all stakeholders, the policies have evolved over a period of time by taking views/ inputs from stakeholders.

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
5	It is planned to be done within the next 1 year	Not Applicable								
6	Any other reason (please specify)									

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Annually

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes, It is published Annually. The hyperlink to view is <https://atulauto.co.in/annual-reports.aspx>

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others? -

Through various policies, it covers most of the stakeholders in addition to the Company. It does not extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has received 8 shareholders complaints during the year ended March 31, 2020 which were satisfactorily resolved by the management. It pertains to transmission/transposition, non-receipt of dividend, annual report, share certificates etc. As the complaints from all the stakeholders are promptly taken care by respective departments, the Company does not keep track of cumulative numbers of it.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The company is engaged in manufacturing of automobiles in particular three wheelers and its spares. It generates self-employment opportunity for the buyer/customer who purchases three wheelers.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

There is no explicit mechanism to track this.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

There is no explicit mechanism to track this.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The Company has put in place the policy to source the raw material sustainability. The specific percentage of sourcing sustainably is not measured. Further, transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Under the Supply Chain Management, a dedicated vertical “ Vendor Development “ work closely with almost all producers so that their capabilities can be increased.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. The waste is managed in an efficient manner. The waste reduction and recycling is the part of the production processes. The Company’s production facility is designed to reduce the waste and recycle the possible waste.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees: 1269

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 276

3. Please indicate the Number of permanent women employees: 14

4. Please indicate the Number of permanent employees with disabilities: 3

5. Do you have an employee association that is recognized by management
No

6. What percentage of your permanent employees is members of this recognized employee association?
Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees - 80%
- (b) Permanent Women Employees - 75%
- (c) Casual/Temporary/Contractual Employees - 80%
- (d) Employees with Disabilities - 75%

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

1. Has the company mapped its internal and external stakeholders?

Yes, during the reporting period, the company has mapped its internal and external stakeholders

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders

Yes, the Company has identified disadvantaged, vulnerable and marginalized communities in the vicinity of the manufacturing plant as most vulnerable external stakeholders. The youth, marginal construction workers, children and women emerged as target groups and hence are being catered through CSR projects.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The initiatives taken by the Company have been mentioned in Report on CSR Activities which is part of Annual Report for the year ended March 31, 2020

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

It covers the Company only.

- 2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

No complaint has been received in respect of human rights during the financial year.

Principle 6: Business should respect, protect, and make efforts to restore the environment

- 1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.**

It covers the Company only.

- 2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.**

Yes. We have been utilizing the alternative renewable energy through Wind Turbine of 600 KW and the initiatives of the Company towards environment sustainability have been explained in Annual Report on CSR Activities.

- 3. Does the company identify and assess potential environmental risks? Y/N**

Yes

- 4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?**

Yes. Environmental sustainability has now turned into the key issues for corporate economic growth, environmental management and community development. Ignoring environmental problems can lead to degradation and depletion of natural resources which could prove detrimental to both the corporate sector business and the society. The Company put their attempts to plant more and more tree nearby its vicinity and cleanliness.

- 5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc. - No**

- 6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

Yes

- 7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

No show cause/ legal notices received from CPCB/SPCB which are pending as on end of Financial Year

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

- 1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

(a) Society of Indian Automobile Manufacturers (SIAM)

(b) Automotive Research Association of India (ARAI)

- (c) Rajkot Chamber of Commerce & Industry
- (d) Shapar Veraval Industrial Association

- 2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

Yes. The Company participates in SIAM on policy matters pertain to Automobiles and with other local associations in the matter of development of local suppliers, improvements in its capabilities and matters concerned with other stakeholders.

Principle 8: Businesses should support inclusive growth and equitable development

- 1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Yes. Please refer Annual Report on CSR Activities.

- 2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

Through all.

- 3. Have you done any impact assessment of your initiative?**

Evaluation and impact assessments are undertaken at every critical phase of the program or at the maturity stage of the project. These assessments are undertaken by internal expert or external consultants and organizations specializing in the subject.

- 4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken**

INR 150.62 Lacs during financial year ended March 31, 2020.

- 5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so**

During the course of the project implementation, the Company works towards building the capacity of local community and stakeholders to ensure sustainability of the program.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

- 1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

The Company views the customer complaint/ consumer cases seriously. 28 customer complaints/ consumer cases are pending as on March 31, 2020.

- 2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (Additional information)**

Yes. In addition to the mandatory information, the Company also display the information regarding safety and efficiency of the vehicle.

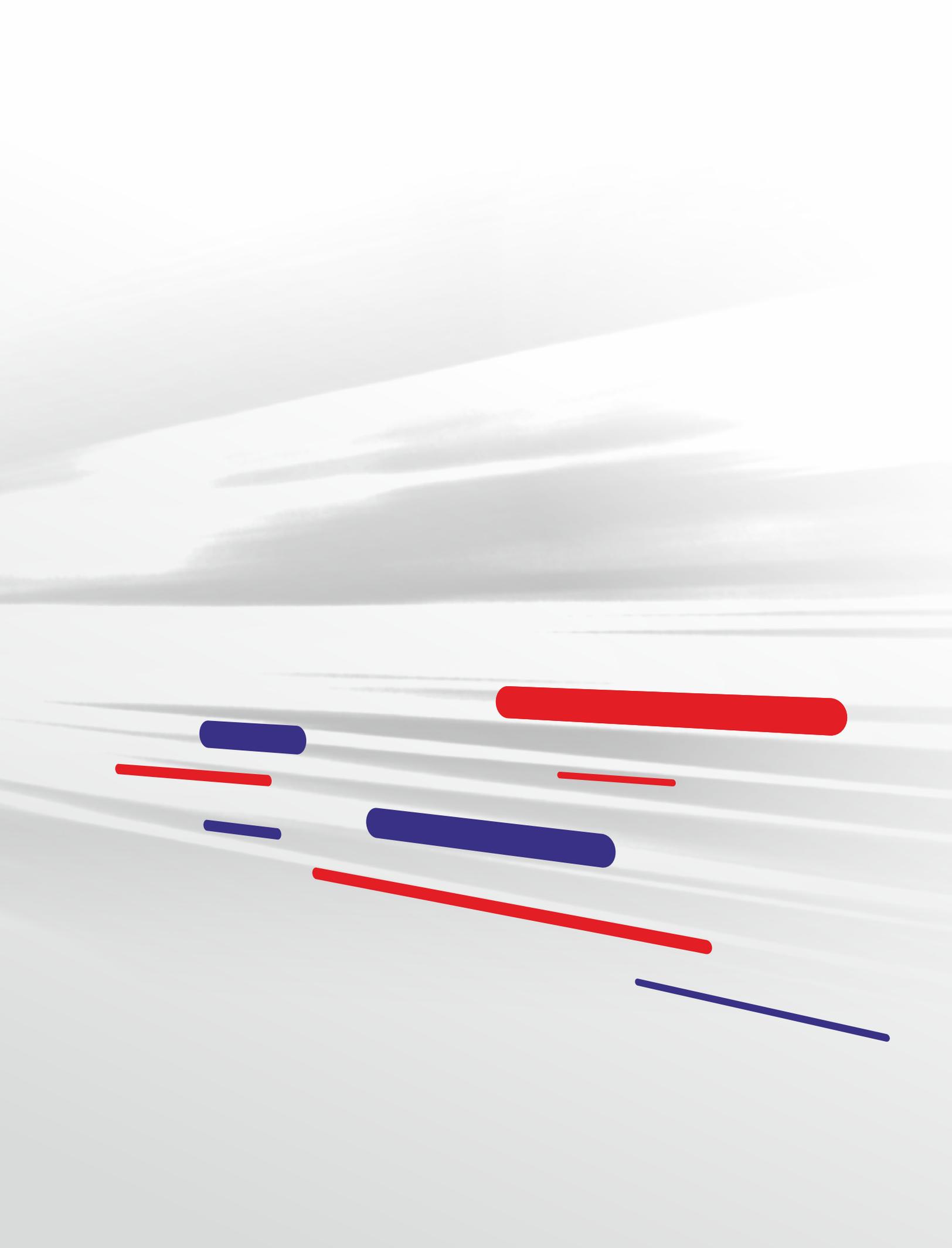
- 3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

Nil

- 4. Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, The Marketing Team of the Company regularly conducts the survey to get the customer feedback and to improve the product and service.

= X = X = X =





ATUL AUTO LIMITED

CIN: L54100GJ1986PLC016999

Survey No. 86, Plot No. 1-4, 8B National Highway,

Nr. Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, India 360024

T: +91 2827 235500 | Email: investorrelations@atulauto.co.in

www.atulauto.co.in

Customer Care No. +91 63 57 399799