

23rd Annual Report
2010-11



**Spreading
the Wings**



ATUL
AUTO LTD.



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MISSION

To become a market leader in Light Transport Vehicle segment and achieve the status of world class company which manufactures and markets a wide range of high quality products to the total satisfaction of customers in the domestic and overseas market by ensuring:

- 1 Low cost of Manufacture
- 2 Highly Profitable Growth
- 3 Sustainable Domestic and Global Competitiveness
- 4 Maximum Stake Holders Satisfaction & Pride
- 5 Business Ethics

Through a continuous improvement of process & focus on:

- 1 Total Quality
- 2 Resource Productivity
- 3 Technology
- 4 Cost Effectiveness

And by creating an interactive professional environment of trust, openness, self confidence & commitment which encourages team effort among the stake holders, suppliers & dealers for profitable venture.

VISION

TO BE THE NO. 1 AND
THE MOST PROFITABLE
GLOBAL PLAYER WITH
WORLD - CLASS QUALITY
AND TECHNOLOGY
LEADERSHIP IN THE LIGHT
TRANSPORT VEHICLE
SEGMENT OFFERING THE
TRANSPORTATION SOLUTIONS
TO SATISFY ULTIMATE
CUSTOMER NEEDS.

Company Information

Board of Directors

Chairman and Managing Director

J. J. Chandra

Wholetime Directors

M. J. Patel

S K Mittal

Non Independent Director

Vijay Kedia

Independent and Non Executive Director

Rajesh Dhruva

Ramniklal Kotecha

Suresh Kaneria

Hakubhai Lalakiya

Board Committees

Audit Committee

Rajesh Dhruva

Suresh Kaneria

Hakubhai Lalakiya

Shareholders Grievances Committee

Suresh Kaneria

Rajesh Dhruva

Hakubhai Lalakiya

Remuneration Committee

Suresh Kaneria

Rajesh Dhruva

Hakubhai Lalakiya

Company Secretary

CS Purvi P Mehta

Secretarial Auditors

MJP Associates

Practising Company Secretaries

Auditors

Maharishi & Co., Chartered Accountants

Bankers

IDBI Bank Ltd.

Plant Location

Factory

Survey No. 86,

Plot No. 1 to 4,

Near Microwave Tower,

National Highway 8-B,

Shapar - 360 024 (Veraval),

Dist. Rajkot, Gujarat

Windmill

Rajasthan

Village Soda,

Dist. Jaisalmer,

Rajasthan

Gujarat

Village Gadhavi,

Lamba,

Kalyanpur,

Jamnagar,

Gujarat

Registered Office

Survey No. 86,

Plot No. 1 to 4,

National Highway 8-B,

Near Microwave Tower,

Shapar - 360 024 (Veraval),

Dist. Rajkot, Gujarat

Registrars & Transfer Agents

Sharex (Dyanamic) India Pvt. Ltd.

Unit No.1, Lothra Ind. Premises,

Safed Pool, Andheri Kurla Road,

Andheri (East)

Mumbai - 400 072

Financial Highlights

(₹ In Lacs)

	2010-11	2009-10	2008-09	2007-08	2006-07
Turnover	20,159	11,985	11,681	8,039	12,177
Total Income	20,266	12,108	12,094	8,204	12,400
Earnings Before Depreciation Interest and Tax (EBDIT)	2,006	1,420	569	686	875
Depreciation	425	387	246	229	195
Exceptional Items	0	0	-23	0	0
Profit after Tax	943	454	46	127	315
Equity Dividend	40.00%	20.00%	5.00%	5.00%	10.00%
Dividend Payout	234	117	29	29	54
Equity Share Capital	608	608	608	558	558
Reserve and Surplus	3,427	2,756	2,439	2,108	2,052
Net Worth	4,036	3,365	3,048	2,667	2,610
Gross Fixed Assets	6,330	5,928	5,734	5,023	4,051
Net Fixed Assets	4,265	4,282	4,478	3,980	3,232
Total Assets	7,465	7,736	7,786	8,837	8,197
Market Capitalisation	6,788	2,619	1,284	2,810	4,131
Key Indicators					
	2010-11	2009-10	2008-09	2007-08	2006-07
Earning Per Share	16.11	7.76	0.79	2.37	5.88
Book Value per Share	68.97	57.50	52.08	49.83	48.78
Debt: Equity Ratio	0.15	0.69	1.04	1.27	1.07
EBDIT/ Gross Turnover	9.95%	11.85%	4.87%	8.54%	7.19%
Net Profit Margin	4.68%	3.79%	0.39%	1.58%	2.58%
RONW	39.07%	29.58%	9.19%	17.13%	25.97%
ROCE	33.49%	18.61%	2.73%	7.28%	14.42%

NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Atul Auto Limited will be held on 30th July, 2011, Saturday, at 4.00 P. M. at Plot no. 1 to 4, survey no. 86, National High way 8 B, Near Microwave Towers, Village Veraval Shapar, Kotda Sangani, Rajkot, Gujarat to transact the following business:-

Ordinary Business

1. To consider and adopt the audited Balance Sheet as at March 31, 2011, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors' thereon.
2. To declare the final dividend
3. To appoint directors in place of Mr. Vijay Kedia, who is liable to retire by rotation and being eligible, offers himself for reappointment.
4. To appoint directors in place of Mr. S K Mittal, who is liable to retire by rotation and being eligible, offers himself for reappointment.
5. To appoint directors in place of Mr. Ramnik Kotecha, who is liable to retire by rotation and being eligible, offers himself for reappointment.
6. To appoint M/s Maharishi & Co., Chartered Accountants, as Auditors from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company and to fix their remuneration.

Special Business

To pass, with or without modification, the following Resolution, as a Special Resolution:

"RESOLVED THAT in accordance with provision of section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956 as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the company as well as in pursuance of Resolution passed by the Board of Directors of the Company in its meeting held on 28th March, 2011, approval of the Members be and is hereby given for reappointment of Shri Sunil Kumar Mittal as the Wholetime Director w.e.f. 1st April, 2011 for the period of One year on such terms and conditions mentioned herein under AND Mr. Mittal shall be liable to retire by rotation in terms of provisions of the Companies Act, 1956 read with provisions of Memorandum and Articles of Association of the Company"

SALARY:

- a) ₹ 1,91,580/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.
- b) Other Allowances:
 - a. House Rent Allowance: ₹ 38,316/- p.m.
 - b. Education allowance for children: - ₹ 200/- per month.
 - c. Conveyance allowance: ₹ 800/- per month
 - d. Annual Medical reimbursement for self and family members for the actual amount incurred up to ₹ 15,000/-
 - e. Contribution towards provident fund up to 12 % of basic salary or such other percentage as may be prescribed under the Rules of the respective Funds

- f. Contribution towards, super annuation fund and benefits payable as per Rules of the Company restricted to ₹ 99,600/- per annum
- g. Leave Travel Concession as per Company rule up to ₹ 15,959/- p.m. payable on yearly basis
- h. Bonus : ₹ 38,316/- p.m. payable on half yearly basis
- i. Use of Company's Car along with facility of Driver for business use
- j. The Company shall make available to him telephone facility at his residence including cell phone to be used for the purposes of the business.

"RESOLVED FURTHER THAT The Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956."

RESOLVED FURTHER THAT Mr. S K Mittal, shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of directors"

"RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri Sunil Kumar Mittal, the Company has no profits or has inadequate profits, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances as specified above, subject to provisions of Schedule XIII to the Companies Act, 1956 "

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all things, deeds, acts as may be necessary in this regard."

By order of the Board of Directors

For, ATUL AUTO LIMITED,

(J. J. CHANDRA)
Chairman & Managing Director

Date: 30/05/2011
Place: Rajkot

Registered Office:

Atul Auto Limited
Plot No 1 to 4, Survey No. 86
Near Microwave Tower, National Highway 8 B
Rajkot Gondal Highway, Village Shapar Veraval
Taluka Kotda Sangani, Dist Rajkot,
Gujarat

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173 (3)
OF THE COMPANIES ACT, 1956

The Board of Directors of the Company passed Resolution for reappointment of Shri Sunil Kumar Mittal, as the Wholetime Director, of the Company, with effect from 1st April 2011, subject to approval of Members in the Annual General Meeting. (Last year also, the Board has appointed Mr. Mittal as the WTD for the period of one year w.e.f. 1st April, 2010).

The Board appointed him as the Wholetime Director of the Company w.e.f. 1st April, 2011 in compliance with the section 269 and other applicable of the Companies Act, 1956 read with Schedule XIII of the said Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.

Further, the remuneration, which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as Report on Corporate Governance. This may be treated as an abstract of the terms and conditions for increase in remuneration of Mr. S. K. Mittal, as the Wholetime Director, and this is to be treated as an abstract under Section 302 of the Companies Act, 1956. The Directors recommend the resolution at item 8 of the accompanying notice for approval of the Members of Company.

Except Shri Sunil Kumar Mittal, no other director of the company, is concerned and/or interested in the above appointment

Notes:

1. A member entitled to attend, vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself, and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 154 of the Articles of Association of the Company, Mr. Vijay Kedia, Mr. Ramnik Kotecha & Mr. S K Mittal, , Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment. Brief resume of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold directorships and memberships/chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends their respective re-appointments.
4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sunday, between 11.00 a. m. and 1.00 p. m. up to the date of the Meeting.
- 8. The Company has already notified closure of Register of Members and Transfer Books from Saturday, 23rd July, 2011 to Friday, 29th July, 2011 (both days inclusive)**

9. (a) **In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Sharex (Dynamics) Private Limited, under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:**

(i) **Name of the Sole/First joint holder and the Folio Number.**

(ii) **Particulars of Bank Account, viz.:**

(a) **Name of Bank**

(b) **Name of Branch**

(c) **Complete address of the Bank with Pin Code Number**

(d) **Account type, whether Savings Account (SA) or Current Account (CA)**

(e) **Bank Account Number**

Investors are requested to provide an National Electronic Clearing Service (NECS) mandate to the Company in case of shares held in physical form and ensure that the correct and updated particulars of their bank account are available with the Depository Participant (DP) in case of shares held in demat form. This would facilitate in receiving direct credits of dividends, refunds etc., from companies and avoiding postal delays and loss in transit. Investor must update the new bank account number allotted after implementation of Core Banking Solution (CBS) to the Company in case of shares held in physical form and to the Depository Participant (DP) in case of shares held in demat form.

(b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.

10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Sharex (Dynamics) Private Limited, for consolidation into a single folio.

11. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Sharex (Dynamics) Private Limited, immediately of:-

(a) The change in the Residential status on return to India for permanent settlement.

(b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.

12. Members are advised to refer to the information provided in the Annual Report.

DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors is delighted to present 23rd Annual Report on Company's Business and Operations for the year ended 31st March, 2011.

Financial Highlights

	(₹ in Lacs)	
Particulars	2010-11	2009-10
Net sales & other income	20266	12108
Total Expenditure	18264	10687
Gross profit before exceptional items, interest & depreciation	2006	1420
Interest	171	316
Depreciation	425	387
Impairment Loss	-	2
Profit Before Taxation	1406	715
Tax Expenses	464	261
Profit After Tax	942	454
Balance brought forward from previous years	2141	1858
Proposed Dividend (inclusive of dividend tax)	272	137
Transfer to General Reserve	94	34
Balance carried in Profit & Loss Account	2718	2141
Earning Per Share (₹)	16.11	7.76

Profits

Your Company has shown a substantial growth in Net income by 67.38% to ₹ 20266 Lacs in the year under review as compared to ₹ 12108 Lacs in Financial year 2009-10. Profit after tax was ₹942 Lacs as against ₹ 454 Lacs in the previous year clocking an increase of 107.49%.

Dividend

The Board of Directors are pleased to recommend dividend of 40% (₹ 4.00 per share) on the paid up share capital of the company, for the financial year ended 31st March, 2011 (Last year ₹ 2.00 per share). This is the highest ever payout in history of company. The total dividend payment amounts to ₹ 2,72,03,131/- (including Dividend Distribution Tax of ₹37,97,051/-).

Operations

Your company recorded total sales of 19398 vehicles as compared to 12329 vehicles in the previous year registering a growth of 57.33%.

On domestic sales front, your company sold 19141 vehicles registering a growth of 55.97% over previous year's volume of 12272 vehicles. In the overseas market, your company sold 257 vehicles as compared to 57 vehicles in the previous year registering a growth of 350.88%.

New Projects

Your company has also launched improvised version for its front engine three wheeler under brand name of ATUL SMART.

Credit Rating

The company has been awarded improved credit rating from ICRA from LBBB-(Pronounced as L triple B minus) to LBBB (pronounced as L triple B) for long term bank facilities and from A3 (pronounced as A three) to A2 (pronounced as A two) for short term bank borrowings

Management Discussion & Analysis Report

A detailed analysis of the Company's performance is discussed in the Management Discussion and Analysis Report, which forms part of this Annual Report.

Corporate Governance

Your Company has adopted good Corporate Governance Practices since its inception. The Company is being managed with utmost professionalism, transparency and adherence to the legal framework. The Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulators and the society. The Company has strong belief that this relationship can only be built and strengthen through corporate fairness, transparency, and accountability.

A detailed report on Corporate Governance is attached to this Report. A separate Report of Board of Directors on Corporate Governance giving details of compliance of various provisions of Clause 49 (Corporate Governance) of the Listing Agreement is attached to this Report. A Certificate from M/s Maharishi & Co., Chartered Accountants, the Statutory Auditors, is also attached to the Report.

Right Issue

The directors are pleased to inform the Members that company has filed draft letter of offer with SEBI, on 07th January, 2011 for issue of total 14,62,880 (Fourteen lacs Sixty two Thousands Eight hundred and Eighty only) Equity shares of face value of ₹ 10/- each at a premium of ₹ 20/- per equity share amounting to ₹ 4,38,86,400/- (Rupees Four Crores Thirty Eight lacs Eighty Six Thousands and Four Hundred only)]. The proceeds of the right issues are proposed to be used towards business expansion in few more states of the country & for repayment of term loan.

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

The particulars as prescribed under Sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) RULES 2988, are provided in the Annexure to the director's report.

Particulars of Employees

The Company has no employee drawing remuneration exceeding limits as specified in the Companies (Particulars of Employees) Rules, 1975, as amended till date, and hence, particulars as mentioned in Section 217(2A) of the Companies Act, 1956, are not required to be given.

Directors

Shri Sunil K Mittal, Shri Ramnik Kotecha and Shri Vijay Kedia, directors of the company retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for reappointment. The Board of Directors of the company has passed resolution for reappointment & fixation of remuneration of Shri Sunilkumar Mittal as Wholetime Director, w.e.f. 1st April, 2011, subject to approval of the members in the ensuing Annual General Meeting. A brief resume of Directors

containing details of nature of their expertise in specific functional areas and names of the companies in which they hold directorship, membership and chairmanship of the board committees, as stipulated in clause 49 of the Listing Agreement with the Stock Exchange in India, are provided in the report of Corporate Governance forming part of the Annual Report.

Directors' Responsibility Statement

As required by sub-section (2AA) of section 217 of the Companies Act, 1956, Directors state that:

- (i) in the preparation of the annual accounts, the applicable accounting standards have been followed;
- (ii) they have, in the selection of the accounting policies, consulted the Statutory Auditors and these have been applied consistently and reasonable and prudent judgments and estimates have been made so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2011 and of the profit of the Company for the year ended on that date;
- (iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) The annual accounts have been prepared on a going concern basis.

Secretarial Audit

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out on quarterly basis, by M/s. MJP Associates, Practising Company Secretaries. The findings of the Secretarial Audit were satisfactory

Auditors

M/s Maharishi & Co., Chartered Accountants, and Statutory Auditors retires as Auditors of the company and have given their consent for reappointment. The members are requested to appoint Maharishi & Co., as auditors for the period from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. The company has received letter from auditors to effect that their appointment, if made, will be within the prescribed limits under section 224(1B) of the Companies Act 1956 and that they are not disqualified for such appointment / reappointment within the meaning of section 226 of the Companies Act 1956, & Rules/Regulations /code of conduct framed by the Institute of Chartered Accountants of India (ICAI).

Acknowledgments

We thank our customers, vendors, investors and bankers for their continuous support during the year. We place on record our appreciation of the contribution made by our employees at all levels. We also put on record our gratitude to IDBI Bank for their support. We thank the Government of India, the State governments and other government agencies for their support, and look forward to their continuous support in the future.

For and on behalf of the Board

RAJKOT
Date: 30th May, 2011

(J. J. CHANDRA)
Chairman & Managing Director

Annexure to Directors' Report

Particulars pursuant to Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988

1. Conservation of Energy

The company has always been conscious of need for conservation of energy. Energy conservation measures have been implemented at all the plants and office of the company more efforts are continuously made by the Company to minimize wastages and reduce the consumption rate of power per unit. Total Energy consumption and per unit consumption thereof is given in Form A.

FORM A

Particulars	2010-11	2009-10
Electricity purchased		
Units	27 78 620	20 92 959
Amount ₹	1 63 95 310	1 28 34 995
Rate Per Unit ₹	5.90	6.13
Production in No.	19 321	12 379
Unit consumed per unit of production	143	169

It includes utilization of own generated electricity units 12 57 451 (PY 14,12,113) from WTG near Lamba in Gujarat. These units are set off as per wheeling agreement with Paschim Gujarat Vij Co. Ltd.

2. Research and Development (R & D) and Technology absorption, adoption and innovation

Your company has full fledged R & D centre at Pune in the state of Maharashtra. The center is aiming at regular up-gradation of vehicles produced by the company through absorption of latest technology coupled with strategic engineering skills. The Company has developed new product ATUL SMART.

3. Foreign Exchange Earnings and Outgo

Particulars	2010-11	2009-10
(Amount in ₹)		
Earnings		
FOB Value of Export	3 02 63 892	60 63 864
Outgo		
Travelling Expenses	13 35 719	1 68 528
Material Purchases	1 14 610	Nil
Amount of Dividend Paid	5 22 900	2 07 929

MANAGEMENT'S DISCUSSION AND ANALYSIS

Indian Economy

During the year, the Indian economy shown a growth momentum. The overall growth of Gross Domestic Product (GDP) at factor cost at constant prices, as per the Revised Estimates of CSO was 7.4 per cent in 2009-10. The growth in real GDP is placed at 8.9 per cent in the second quarter of 2010-11. Overall growth in the Index of Industrial Production (IIP) was 2.7 per cent during November 2010 as compared to 11.3 per cent in November 2009. During April November 2010-11, IIP growth was 9.5 per cent as compared to 7.4 per cent during April-November 2009-10. Core infrastructure-supportive sectors grew by 2.3 per cent in November 2010 as compared to the growth of 5.9 per cent in November 2009. The YOY growth, as on December 17, 2010 was 15.0 per cent as compared to 18.0 per cent last year. Exports, in US dollar terms increased by 26.5 per cent and imports increased by 11.2 per cent, during November 2010. Year-on-year inflation in terms of Wholesale Price Index was 8.43 per cent for the month of December, 2010 as compared to 6.92 per cent in December, 2009.

Automobile Industry

FY 2011 witnessed quantum up-ward growth of 27.45 % in production and 26.17 % growth in domestic sales of automobile; whereas export grown by 29.64 %. It is expected that the upward growth trend will be continue the journey in FY 2012 also.

The growth in three wheeler industry is above than the overall growth, i.e. it has grown by 29.13 % as compared to overall growth of 27.45 % in entire industry. The domestic sales grew by 19.44 % whereas export grown by 55.86 % compared to previous year.

Almost 66% of total automobile exports from India are two-wheelers, and as a result, performance of this segment has a major influence on overall auto export volumes. Nonetheless, a competitive and aggressive approach from the original equipment manufacturers vehicle categories (commercial vehicles, passenger vehicles and two & three wheelers) would help bring an increase in overall export of vehicles from the Indian market in FY 2012. Additionally, there are many companies that want to make India their export hub, thereby increasing the chances of increasing exports.

Performance of the Company

Value Creation through the exploitation of Innovations

During the past one year, Atul Auto Limited has created Value in terms of increase in market, increase in profit, improved financial strength, increase in customer satisfaction and increase in company's goodwill through the exploitation of its innovations in the Atul Gem technology. During the year company has put the efforts for improvement in various product offerings for its front engine three wheeler i.e. Atul Shakti. The new model with advanced features has been offered in near-by market for market test.

Sr. No.	Product	Sales during 2010-11	Sales during 2009-10	% Growth
01	Atul Shakti	8264	7805	5.88 %
02	Atul Gem	11072	4524	144.74 %
03	Atul Smart	62	0	
	Total	19398	12329	57.34 %

Financial Performance

(₹ in lacs)

Particulars	2010-11	2009-10
Turnover	20,107	11,920
EBITDA	2,006	1,420
Depreciation	425	387
Cash Profit	1666	986
Net Profit after Tax	943	454
Earning Per share (₹)	16.11	7.76

Financial Review

Turnover achieved for the year ended 31st March, 2011 was ₹20107 lacs a growth of 69% over the previous year comprising 70% growth in vehicle sales and 42% growth in spares sales. Growth in vehicle sales is due to 57% rise in volumes and 8% rise in prices. During the exports, were higher by almost 3 times at ₹320 lacs.

Consumption of Raw Material increased by 71% from ₹ 9160 lacs to 15620 lacs. This was mainly on account of increase in engine price by 11%.

Employee cost was ₹ 1,054 lacs for the year against ₹ 703 lacs in previous year indicate 50% rise in the expenditure. This was mainly on account of increase in man power strength as well cost of the existing employee.

Operating Profit before other income increased by 59% from ₹ 953 lacs to 1515 lacs. Net Operating margin for the period was 7.53% as compared to 8% during the previous year.

Interest Cost was reduced by 63% from ₹ 278 lacs to ₹ 171 lacs mainly due to lower utilization of Cash Credit limits and early repayment of term loan.

Capital Expenditure during the year was ₹403 lacs primarily on account of acquisition of vehicles & Dies and plant and machinery

WTG Project

The company is having 2 installation of WTG of 1.25 MW and 0.6 MW at Village Soda , Near Jesalmer, State Rajasthan and at Village Gandhavi, Dist. Jamnagar State Gujarat respectively.

The company has earned total income of ₹ 51,85,894/- from power generation project at Soda and electricity having value of ₹ 69,80,038/- has been utilized for the captive consumption. The company could save power cost to the extent of generation within Gujarat thru WTG.

Resource & Liquidity

Atul Auto Limited has continued to strengthen its balance sheet and significantly improved liquidity. During the year, Atul has received cash ₹1 673/- lacs from operation out of which ₹ 394 lacs is utilized for investing activities and ₹ 1 159/- is utilized for financing activities.

In the current year, Atul is witnessed of the highly positive cash flow from its operating activities. Further, Atul's associate company Khushbu Auto Finance Limited has also repaid the outstanding ICD of ₹, 274 lacs along with interest. As on 31st March, 2011 the Company has ₹ 337 lacs as advances from dealers against ₹36 lacs in the previous year. Atul has ₹600/-lacs due to Banks against ₹ 2317 lacs in the previous year. On account of efficient use of available liquidity during the year resulted in reduction of interest cost by 63% from ₹278 lacs to ₹ 171 lacs and the company has also an opportunity to invest its surplus fund in the Mutual Funds which resulted in income from dividend of ₹17 lacs during the year.

Further, Atul is also in process of raising addition equity thru Right Issue of ₹ 439 lacs which will be utilized in repayment of term loan and expansion of the market. It is assumed that in a near future the company would be DEBT FREE COMPANY.

The company has been awarded improved credit rating from ICRA from LBBB-(Pronounced as L triple B minus) to LBBB (pronounced as L triple B) for long term bank facilities and from A3 (pronounced as A three) to A2 (pronounced as A two) for short term bank borrowings.

Risk & Threats:

Quality manpower, infrastructure improvements, and raw material availability are major concerns for the growth of industry & company. At the same time, access to latest and most efficient technology and techniques is a big challenge. Increasing cost of raw material & availability of easy finance options are also key factors in growth of the Company. Indian consumers remain economical, cost conscious and driven by value for money and hence, fuel efficiency and affordability are their key decision factors

Opportunities

As per reports of the Society of Indian Automobile Manufacturers (SIAM), the automobile industry is expected to grow by 12 to 15 % in 2011-12 with growth of 4 to 6 % in Three wheelers (Cargo) and 10 to 12 % in Three wheelers (passengers). India is going to become hub for small cars in next three years and there is huge potential for growth in three wheelers as well as auto components industry.

Statutory Compliances:-

Your company has its legal team in place with appropriate policies towards legal compliance. The business operation is under continuous monitoring by the experience team and proper system of reporting has been devised to ensure that the company does not default in any statutory compliance.

Internal Control System and Their Adequacy:-

The company has well defined organization structure, documents policy guidelines, predefined authority levels and extensive systems of internal controls to ensure optimal utilization and protection of resources, IT security, accurate reporting of financial transactions and compliance with applicable laws and regulations. The internal control system is framed to ensure that assets are safe-guarded against loss from unauthorized use of disposition, and the transactions are authorised, recorded and reported correctly. The company has budgetary system for control and planning and actual performance which is reviewed with budget by the management on an ongoing basis. The company has in house internal audit system.

Human Resources:-

People are the central to Company's performance and growth and the organization consistently values the contribution and involvement of employees. The Company has a comprehensive HR strategy aligned to the business strategy and all people processes are designed to achieve the ultimate goal.

The Company is consistently focusing on building capability in employees at all levels. The Company has robust talent management and succession planning in place and has been tracking consistently the talent in pipeline and leadership bandwidth at the highest level in the organization in order to equip the organization to handle both consolidation and growth.

Cautionary Statement:-

Statements in this report describing company's objectives, projection, estimates, and expectations may constitute forward looking statements within the meaning of applicable laws and regulations. Various information contained in this report has been based on information gathered from various published and unpublished reports and their accuracy, reliability and completeness cannot be assured. The actual results might differ materially from those either express or implied. Factors that could make a difference to the company's operations include among others, raw materials and component prices, government regulations, tax regimes, economic developments in India, natural calamities and other incidental factors.

REPORT ON CORPORATE GOVERNANCE

The corporate leadership is all about creating such a platform which will deliver ultimate level of satisfaction to its Customers, Employees, Share Holders, Vendors and Society at Large. The precise objective is to create the wealth and values for the organisation fairly and ethically by deploying the available resources in most efficient and effective manne[₹]

J.J.CHANDRA

Chairman & Managing Director

“Corporate Governance is about maintaining an appropriate balance of accountability between three key players; the corporation’s owners, the directors whom the owners elect, and the managers whom the director selects. Accountability requires not only good transparency, but also an effective means to take action for better decisions.”

Company’s philosophy on Corporate Governance

Our corporate governance philosophy is based on the following principles:

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels. When in doubt, disclose.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- Management is the trustee of the shareholder’s capital and not the owner.

Composition of Board, and directorships held as at March 31, 2011

Name of the Director	Designation	Age	Quali- fication	Expertise	Other Directorship
Founder and Executive Director					
Mr. J. J. Chandra	Chairman & Managing Director	56 Years	Under Graduate	Eminent industrialist with wide business experience in Automobile Industry for last 36 year [₹]	Atul Rachna Pvt. Ltd.
Mr. M. J. Patel	Wholetime Director	48 Years	Under Graduate	19 years of experience in Automobile Industry	Nil
Other Executive Director					
Mr. S. K. Mittal	Wholetime Director	52 Years	B.E. (Mechanical)	Engineer by profession and developed expertise in designing complete vehicle and components. Wide experience of more than 22 years in 3 wheeler industry.	Nil

Non Independent & Non Executive Director					
Mr. Vijay Kedia	Director	51 Years	B. Com.	More than 25 years of experience in the field of Finance & Securities Market	1. Kedia Securities Pvt. Ltd., 2. Sky Space Entertainment Pvt. Ltd.
Independent & Non Executive Director					
Mr. Rajesh Dhruva	Director	56 Years	Commerce Graduate & Chartered Accountant	Finance and Foreign Exchange Regulations	1. Keynote Consultancy Pvt. Ltd. 2. Integrated Proteins Ltd. 3. Keynote Corporate Counsels Pvt. Ltd. 4. Sunflower Apparels Pvt. Ltd.
Mr. Suresh Kaneria	Director	51 Years	Commerce Graduate	General Administration Skills	Nil
Mr. Hakubhai Lalakia	Director	57 Years	M. COM., L.L.M.	Practicing as advocate for more than 24 years	Nil
Mr. Ramniklal Kotecha	Director	58 Years	B.E. (Mechanical)	Administration & Management	1. Kotecha Steelforge Pvt. Ltd. 2. Vision Next Diesel Pvt. Ltd. 3. Ganga R. K. Industries Pvt. Ltd. 4. Kusum Casting Pvt. Ltd.

Details of Directorship/Committee Membership or Chairmanship as at March 31, 2011

Name of the Director	Designation	No. of Shares Held	Directorship in all Public Limited Companies	Membership in Committee in all Public Limited Companies (Other than Atul Auto Ltd.)	Chairmanship of Committee in all Public Limited Companies (Other than Atul Auto Ltd.)
Mr. J. J. Chandra	Chairman & Managing Director	2,36,288	Nil	Nil	Nil
Mr. M. J. Patel	Wholetime Director	92,616	Nil	Nil	Nil
Mr. S. K. Mittal	Wholetime Director	Nil	Nil	Nil	Nil
Mr. Vijay Kedia	Director	3,14,426	Nil	Nil	Nil
Mr. Rajesh Dhruv	Director	Nil	Integrated Proteins Limited (refer as IPL)	Member Share Holders Grievances Committee, IPL	Chairman Audit Committee IPL

Mr. Suresh Kaneria	Director	Nil	Nil	Nil	Nil
Mr. Hakubhai Lalkia	Director	Nil	Nil	Nil	Nil
Mr. Ramniklal Kotecha	Director	Nil	Nil	Nil	Nil

Cash Compensation paid to Chairman and Managing Director and the Whole-time Directors, during 2010-11:

Name of the Director	Designation	Salary (₹ Per Annum)	Perquisites (₹ Per Annum)
Mr. J. J. Chandra	Chairman & Managing Director	26,01,792	Nil
Mr. M. J. Patel	Whole time Director	24,28,792	Nil
Mr. S K Mittal	Whole time Director	18,01,889	18,000

No remuneration by way of salary or perquisites or commission paid to any of the Non-Executive Directors during the year 2010-11.

Sitting fee paid to the Non-Executive Directors, for 2010-11 are as detailed below:

Name of Non Executive Director	Sitting Fee
Shri Vijay Kedia	10,000
Shri Rajesh Dhruva	11,000
Shri Hakubhai Lalakiya	11,000
Shri Ramnikbhai Kotecha	11,000
Shri Sureshbhai Kaneria	11,000
Total	54,000

Board Meetings

Scheduling and Selection of agenda items for Board Meetings

Dates for Board meetings in the ensuing year are decided in advance and published as part of the Annual Report. Most Board meetings are held at our Registered Office at Shapar, Rajkot. The Chairperson of the Board and the Company Secretary draft the agenda for each meeting, along with explanatory notes. Every Board Member can suggest additional items for inclusion in the agenda. The Board meets at least once a quarter to review the quarterly results and other items on the agenda, and also on the occasion of the Annual General Meeting of the Shareholders. Additional meetings are held when necessary. Independent directors are expected to attend at least four board meetings in a year. Total 11 Board Meetings were held during the year under Report.

Information placed before the Board of Directors

The Company circulates along with Notice of the Board Meeting, a detailed Agenda which, inter alia, contain following items, as and when applicable:

- a) Review of annual business plans of the business, capital budgets, and updates,
- b) Quarterly (including periodic) results of the Company,
- c) Minutes of meeting of audit committee, remuneration committee, share holders' grievances committee etc
- d) Information on recruitment and remuneration of senior officers just below the Board level,
- e) Materially important show cause, demand, prosecution and penalty notices, if any.
- f) Fatal or serious accidents or dangerous occurrences,
- g) Any material significant effluent or pollution problems,
- h) Any issue which involves possible public or product liability claims of a substantial nature.
- i) Details of any joint venture or collaboration.
- j) Transaction that involves the substantial payment of goodwill, brand equity or intellectual property,
- k) Significant labour problem and their proposed solutions,
- l) Significant development in the human resources and industrial relations fronts,
- m) Sale of material nature, of investments, subsidiaries, assets, which is not in the normal course of business,
- n) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement.
- o) Status of compliance with all regulatory, statutory and material contractual requirements.

The Board of Atul Auto Limited is routinely presented with all information under the above heads whenever applicable and materially significant. These are submitted either as part of the agenda papers well in advance of the Board meetings or are tabled in the course of the Board Meetings.

Eleven Board Meetings were held during the year, as against the minimum requirement of four meetings. The Company has held at least one Board meeting in every three months. The details of the Board meetings are as under:

Sr. No.	Date	Board Strength	No. of Directors Present
1	29/04/2010	8	6
2	28/05/2010	8	8
3	25/06/2010	8	8
4	21/07/2010	8	8
5	29/07/2010	8	7
6	31/07/2010	8	7
7	08/09/2010	8	8
8	26/10/2010	8	8
9	09/11/2010	8	8
10	29/01/2011	8	8
11	28/03/2011	8	8

Attendance of directors during fiscal 2011

Name of the Director	No. of Meetings attended
Mr. J. J. Chandra	9
Mr. M. J. Patel	11
Mr. S. K. Mittal	10
Mr. Vijay Kedia	10
Mr. Rajesh Dhruv	11
Mr. Suresh Kaneria	11
Mr. Hakubhai Lalakiya	11
Mr. Ramniklal Kotecha	11

A. Audit Committee

a. Composition

- Shri Rajesh Dhruv (Non Executive & Independent Director and professionally qualified as a Chartered Accountant, acted as the Chairman of the Audit Committee)
- Shri Hakubhai Lalakiya (Non Executive & Independent Director)
- Shri Suresh T. Kaneria (Non Executive & Independent Director)

b. Terms of Reference

The terms of reference as stipulated by the Board to the Audit Committee are as contained in the Clause 49 of the Listing Agreement are as follows:

- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Reviewing with management the quarterly/ annual financing statements before submission to the Board, focusing primarily on the following:
 - o Matters required to be included in the Directors' Responsibility statement.
 - o Any change in accounting policies and practices.
 - o Major accounting entries based on exercise of judgment by management.
 - o Significant adjustments arising out of audit.
 - o Compliance with accounting standards.
 - o Compliance with listing and other legal requirements relating to the financial statements.
- Compliance with legal requirements concerning financial statements.
- Reviewing with the management, statutory and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- Discussion with internal auditors any significant findings and follow up thereon.
- Reviewing the Company's financial and risk management policies.

c. Meeting of the Committee

The committee has met 5 times during the year 2010-11.

Name of Member	Designation	No. of Committee Meeting Attended
Shri Rajesh Dhruv	Chairman	5
Shri Suresh Kaneria	Member	5
Shri Hakubhai Lalakiya	Member	5

B. Remuneration Committee**a. Composition**

- Shri Suresh T. Kaneria (Non Executive & Independent Director)
- Shri Rajesh Dhruv (Non Executive & Independent Director)
- Shri Hakubhai Lalakiya (Non Executive & Independent Director)

b. Terms of Reference

The Committee determines and approves the quantum of remuneration whether by way of salaries, commission, special allowances, any other perquisites to the Managing, Joint Managing and Whole time Directors and non-executive Directors. Generally, the Remuneration Committee considers and approves remuneration payable to executive directors subject to final confirmation by Members in the General Meeting. The Company is not paying any remuneration to any non-executive Director as on date.

c. Meeting of the Committee

The committee has met 5 times during the year 2010-11.

Name of Member	Designation	No. of Committee Meeting Attended
Shri Hakubhai Lalakiya	Chairman	5
Shri Rajesh Dhruv	Member	5
Shri Suresh Kaneria	Member	5

C. Shareholders Grievances Committee**a. Composition**

- Shri Suresh T. Kaneria (Non Executive & Independent Director)
- Shri Rajesh Dhruv (Non Executive & Independent Director)
- Shri Hakubhai Lalakiya (Non Executive & Independent Director)

b. Compliance Officer

- CS Purvi P Mehta (Company Secretary)

c. Shareholder's Complaints

During the fiscal 2010-11, there was no pending investor complaint as at the beginning of the year neither there was no pending investor complaint as at the end of the year.

d. Meeting of the Committee

The committee has met 6 times during the year 2010-11

Name of Member	Designation	No. of Committee Meeting Attended
Shri Suresh Kaneria	Chairman	6
Shri Rajesh Dhruv	Member	6
Shri Hakubhai Lalakiya	Member	6

General Body Meeting

A. Annual General Meetings:

The Annual General Meetings of the Company during the preceding 3 years were held at the registered office of the company at Survey No. 86, Plot No. 1 to 4, National Highway 8-B, Near Microwave Tower, Shaper (Veraval), Dist. Rajkot, Gujarat.

The date and time of the Annual General Meetings held during the preceding 3 years and the Special Resolution(s) passed thereat are as follows:

2009-10

Date and Time: July 28, 2010 at 04:00 p.m.

Special Resolutions passed:

- Reappointment & revision of remuneration of Mr. J.J. Chandra, as Chairman & Managing Director:
- Revision of remuneration and redesignation of Mr. M J Patel as Whole time Director:
- Reappointment of Mr. Sunil Kumar Mittal as the Whole time Director

2008-09

Date and Time: September 29, 2009 at 04:00 p.m.

Special Resolutions passed:

- Appointment of Mr. Sunil Kumar Mittal as the Joint Managing Director

2007-08

Date and Time: September 27, 2008 at 04:00 p.m.

Special Resolutions passed:

- Delisting Of Securities From Saurashtra Kutch Stock Exchange Ltd
- Delisting Of Securities From Ahmedabad Stock Exchange Ltd

B. Special Resolution passed through Postal Ballot:

No special resolution was passed through Postal Ballot during 2010-11. None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through Postal Ballot.

Disclosures

- During the year under review, besides the transactions mentioned elsewhere in the Annual Report, there were no other related party transactions by the company.
- The company has complied with various rules and regulations prescribed by Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- We have established a mechanism for employees to report concerns about unethical behavior, actual or suspected fraud, or violation of our code of conduct or ethics policy. It also provides for adequate safeguards against victimization of employees who avail of the mechanism, and also allows direct access to the Chairperson of the audit committee in exceptional cases. We further affirm that no employee has been denied access to the audit committee.

- We have fully complied with the Clause 49 of listing agreement.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that may have a potential conflict with the interest of the Company at large.
- The company follows Accounting Standards referred to in (3)(c) of Section 211 of the Companies Act, 1956 and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standards.
- The Managing Directors (CEO) have certified to the Board in accordance with Clause 49(V) of the listing Agreement pertaining to CEO/CFO certification for the financial year ended March 31, 2011

General Shareholder Information

Company Registration Details

The Company is registered in the State of Gujarat, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L 54100 GJ 1986 PLC 016999.

Annual General Meeting

The 23rd Annual General Meeting of the company will be held on Saturday, 30th July 2011 at 11.00 am at registered office of the company, Survey No. 86, Plot No. 1 to 4, Near Microwave Tower, National Highway 8-B, Shapar (Veraval), Dist. Rajkot, Gujarat

Financial Calendar (tentative)

Financial Year	April 1, 2011 to March 31, 2012
Results for the quarter ending:	
June 30, 2011	First / Second week of August, 2011
September 30, 2011	First / Second week of November, 2011
December 31, 2011	First / Second Fourth week of February, 2012
March 31, 2012	Fourth week of May, 2012
Annual General Meeting	August / September 2013

Date of Book Closure

The company's books will be closed from Saturday, 23rd July, 2011 to Friday, 29th July, 2011 (both days inclusive).

Dividend Payment

Credit/dispatch between August 4, 2011 and August 20, 2011.

Listing of Equity shares of the Company

Bombay Stock Exchange Limited (BSE),
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai 400 001
Scrip Code 531795
Demat Segment INE 951D01010

Stock Market Price Data

MONTH	MONTH'S HIGH PRICE	MONTH'S LOW PRICE
Apr-10	69.00	42.55
May-10	63.90	48.70
Jun-10	121.25	63.55
Jul-10	130.00	101.00
Aug-10	147.50	128.55
Sep-10	150.00	125.00
Oct-10	147.00	128.00
Nov-10	159.90	115.10
Dec-10	142.80	93.70
Jan-11	127.70	100.60
Feb-11	126.00	94.25
Mar-11	127.85	104.00

(Source : BSE- Bombay Stock Exchange)

Payment of Listing Fees : Annual listing fee for the year 2011-12 (as applicable) has been paid by the Company to BSE.

Share Price Performance in comparison to broad based indices – BSE Sensex as on March 31, 2011

	Atul	BSE Sensex
FY 2010-11	158%	11%
2 year	427%	100%
3 years	119%	24%
5 years	51%	49%

(Source : BSE- Bombay Stock Exchange)

Share Transfer System

Share transfers are processed and share certificates returned within a period of 7 days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission etc. of the Company's securities to the Managing Director and/or Company Secretary. A summary of transfer/transmission of securities of the Company so approved by the Managing Director/ Company Secretary, is placed at every Board meeting. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Clause 47 (c) of the Listing Agreement with Stock Exchanges and files a copy of the certificate with the Stock Exchanges.

Distribution of Shareholding as on March 31, 2011

Category Code	Category of Shareholder	No. of Shareholders	Total No. of Shares	As percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter Group			
(1)	Indian	29	34 69 888	59.30%
(2)	Foreign	0	0	0.00%
Total Shareholding of Promoter and Promoter Group		29	34 69 888	59.30%
	Promoter Group			
(B)	Public Shareholding			
(1)	Institutions	0	0	0.00%
(2)	Non-institutions	1 508	23 81 632	40.70%
Total Public Shareholding		1 508	23 81 632	40.70%
(C)	Shares held by Custodians and against which Depository Receipts have been issued			
(1)	Promoter and Promoter Group	0	0	0.00%
(2)	Public	0	0	0.00%
	Total	0	0	0.00%
TOTAL (A) +(B) + (C)		1 537	58 51 520	100.00%

Distribution of Shareholding as at March 31, 2011

SHARE (OR DEBENTURE) OF NOMINAL VALUE	No. OF HOLDERS	(%) OF HOLDERS	TOTAL AMOUNT	% OF AMT.
UP TO 5,000	118	79.25%	15,49,030	2.65%
5,001 TO 10,000	108	7.03%	8,81,290	1.51%
10,001 TO 20,000	75	4.88%	10,91,740	1.87%
20,001 TO 30,000	27	1.76%	7,08,160	1.21%
30,001 TO 40,000	14	0.91%	5,09,960	0.87%
40,001 TO 50,000	9	0.59%	4,13,950	0.71%
50,001 TO 1,00,000	25	1.63%	16,87,500	2.88%
1,00,001 TO ABOVE	61	3.97%	5,16,73,570	88.31%
TOTAL	1537	100.00%	5,85,15,200	100.00%

Plant Locations

At Dist. Rajkot Three wheeler manufacturing unit	Atul Auto Limited Survey No. 86, Plot No. 1 to 4, N H 8-B, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot
At Rajasthan Wind Turbine Generators	Village Soda, Dist. Jaisalmer, Rajasthan.
At Gujarat Wind Turbine Generators	Village Gandhavi Lamba, Kalyanpur, Jamnagar, Gujarat

Address for Correspondence**Share Transfer agents:**

Sharex (Dynamic) India Private Limited,
Unit No. 1, Luthra Ind. Premises
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai - 400 072
Phone- 022-22802485 / 22641386

**CS Purvi P Mehta,
Company Secretary & Compliance Officer**

Atul Auto Limited,
8-B, National Highway,
Near Microwave Tower,
Shapar (Veraval)
Dist.: Rajkot, Gujarat
Phone: +91-2827-666000, Fax: +91-2827-666029

DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT

[Clause 49 (I) (d)]

The Company has laid down and adopted "Code of Conduct" for all Board Members and core management team of the company. The Company believes that such Code of Conduct is necessary for best Corporate Governance practices, and expects that all Board Members and Core management team adhere to this Code of Conduct.

It is hereby affirmed that all the Directors and Senior Management personnel have complied with the Code of Conduct and have given a confirmation in this regard.

(J. J. Chandra)

Chairman and Managing Director

Place: Rajkot

Date: 30th May, 2011

MANAGING DIRECTOR & WHOLETIME DIRECTOR CERTIFICATION FOR FINANCIAL STATEMENTS

[CLAUSE 49 (V) OF LISTING AGREEMENT]

We have reviewed financial statements and cash flow statements for the financial year ended on 31st March, 2011 and to the best of our knowledge and belief:

- (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (b) These statements together present true and fair view of the Company's affairs and in compliance with existing accounting standards, applicable laws and regulations;
- (c) No transactions entered into by the company during the aforesaid year, which are fraudulent, illegal or in violation of the Company's Code of Conduct.

Further, we accept that it is our responsibility to establish and maintain internal controls. We have evaluated the effectiveness of internal control system of the Company and have disclosed to the auditors and the Audit Committee, wherever applicable:

- (a) Deficiencies in the design or operation of internal controls, if any, which came to our notice and steps have been taken/ proposed to be taken to rectify these deficiencies
- (b) Significant changes in the internal control during the year
- (c) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
- (d) Instances of significant fraud of which we became aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

J. J. Chandra

M J Patel

Chairman and Managing Director

Whole time Director

Place: - Rajkot

Date: - 30th May, 2011

Auditors' Certificate on corporate Governance

To
The Members,
Atul Auto Limited

We have examined the compliance of the conditions of Corporate Governance by Atul Auto Limited, for the year ended on 31st March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance as stipulated under that clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representation made by the Directors and Management, we certify that the Company has complied with conditions of Corporate Governance as stipulated in clause no 49 of the above mentioned listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the shareholders' grievance committee.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Maharishi & Co.,
Chartered Accountants
Firm Reg. No. 124872W

Prashant Maharishi
Partner
Membership No.: 41452

Date: 30th May, 2011
Place: Rajkot

AUDITORS' REPORT

To,
The Members
Atul Auto Limited

We have audited the attached Balance Sheet of Atul Auto Limited as at 31st March, 2011, the Profit and Loss Account for the year ended on that date annexed thereto and also the Cash Flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We report as follows:

1. As required by Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matter specified in paragraphs 4 of the said order to the extent applicable to the company.
2. Further to our comments in the Annexure referred to above, we report that:
 - a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of the books;
 - c. The said Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the said Balance Sheet, Profit And Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representation received from the Directors as on 31st March, 2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2011 from being appointed as director in terms of clause (g) of sub section (1) of Section 274 of the Companies Act, 1956;

- f. In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the company's accounting policies and the notes thereto, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
- i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2011;
 - ii. In the case of Profit and Loss account, of the Profit of the Company for the year ended on that date; and
 - iii. In the case of Cash flow statement, of the cash flows for the year ended on that date.

For Maharishi & Co.
Chartered Accountants
Firm Reg. No. 124872W

Prashant Maharishi
Partner
Membership No. 41452

Place: Rajkot
Date : 30.05.2011

Annexure to the Auditors' Report -31st March 2011

(Referred to in Paragraph (1) of our report of even date)

- (1) In respect of its fixed assets:
 - (a) The Company has maintained proper records to show full particulars including the quantitative details and situation of its fixed assets on the basis of available information.
 - (b) As explained to us, all the assets have been physically verified by the management at phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its business. According to information and explanations given to us, no material discrepancies have been noticed on such verification as compared to the book records.
 - (c) In our opinion, the Company has not disposed off any substantial part of its fixed assets and going concern status of the Company is not affected.
- (2) In respect of its inventories:
 - (a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion and according to the information and explanation given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - (c) The Company has maintained proper records of its inventories. As explained to us, there were no material discrepancies notices on physical verification of inventory as compared to book records.
- (3) In respect of the loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956:
 - (a) The Company has granted loan to the Company covered under register maintained U/s 301 of the Companies Act, 1956. In respect of said loans, the maximum amount outstanding at any time during the year is ₹10.02 Crores and at the year end the balance is nil.
 - (b) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions of the loan granted are not prima facie prejudicial to the interest of the Company.
 - (c) The principal amounts are repayable on demand and there is no repayment schedule. The associate company to which loan is granted is regular in payment of interest.
 - (d) In respect of the said loans, the same are repayable on demand and therefore the question of overdue amount does not arise. In respect of interest, there are no overdue amounts.
 - (e) The Company has not taken any loans Secured or Unsecured, from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, the requirement of Clause (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
- (4) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory, fixed assets and also for the sale of goods. During the course of our audit, we have not observed any major weaknesses in internal controls.
- (5) In respect of transactions covered under section 301 of the Companies Act, 1956:
 - (a) In our opinion and according to the information and explanations given to us, the particulars

of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the Register maintained u/s 301 of the Companies Act, 1956 and exceeding the value of ₹ 5,00,000/- in respect of each party during the year have been made at prices which appear reasonable as per information available with the company.

(6) According to the information and explanations given to us, the Company has not accepted any deposit within the meaning of Section 58-A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Rules framed there under from the public. Therefore Clause (vi) of paragraph 4 of the Order are not applicable to the Company.

(7) In our opinion, the Company has an adequate internal audit system commensurate with the size and nature of its business.

(8) We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the rules made by the Central Government, for maintenance of cost records have been prescribed under Section 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determining whether they are accurate or complete.

(9) In respect of statutory dues:

(a) According to the records of the company and according to the explanations and information given to us, undisputed statutory dues including Provident Fund, Income tax, Sales Tax, Excise duty, Wealth Tax, Custom duty, Service Tax, Cess, ESI and other statutory dues payable by the company have been generally regularly deposited with appropriate authority. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2011 for a period of more than six months from the date of becoming payable.

(b) The disputed statutory dues aggregating ₹1.06/- crores, that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Sr. No.	Name of the Statute	Nature of the Dues	Period to which the amount relates	Forum where dispute is pending	Amount ₹
1	The Gujarat Sales Tax	Sales Tax	2002-03	High Court	2,02,531
2	The Central Sales Tax Act, 1956	Central Sales Tax	2002-03	High Court	11,83,791
3	The Finance Act, 1994	Service Tax	2007-08	CESTAT	51,255
4			2008-09	Commissioner (Appeals)	4,74,335
5	The Central Excise Act, 1944	Excise Duty	2006-07 &	Commissioner (Appeals)	16,81,586
6			2007-08		1,03,025
			2005-06 &		
			2006-07		
7	The Income Tax Act, 1961	Income Tax	2004-05	Income Tax Appellate Tribunal	2,11,660
8		TDS	2002-03	Commissioner (Appeals)	32,59,470
9			2003-04		25,22,288
10			2004-05		9,52,405

- (10) The Company has neither accumulated losses at the end of the financial year nor has it incurred cash losses, both, in the financial year under report and the immediately preceding financial year.
- (11) Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the company has not defaulted in repayment of dues to financial institutions and banks. The company has not issued any debentures.
- (12) In our opinion and according to the explanations given to us and based on the information available, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other securities.
- (13) In our opinion, the company is not a chit fund or a nidhi/mutual/benefit fund/society. Therefore, clause 4 (xiii) of Companies (Auditors' Report) Order, 2003 is not applicable to the company.
- (14) According to information and explanations given to us, the company has not dealt or traded in shares or debentures however in respect of securities being mutual fund the company has maintained proper records of the transactions and contracts in respect of dealing and trading. All the mutual fund investments have been held by the company in its own name.
- (15) The Company has given guarantees for loans taken by the associate company from the bank. According to information and explanations given to us, we are of the opinion that the terms and conditions thereof are not prejudicial to the interest of the company. However during the year the guarantees given by the company was satisfied.
- (16) In our opinion, the term loans have been applied for the purpose for which they were raised.
- (17) According to the information and explanations given to us and on an overall examination of the Financial Statements of the Company and after placing reliance on the reasonable assumptions made by the Company for classification of long term and short term usages of funds, we are of the opinion that, prima facie, short term funds have not been utilized for long term purposes.
- (18) The company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (19) The company has not issued any debentures.
- (20) The company has not raised any money by public issue during the year.
- (21) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Maharishi & Co.
Chartered Accountants
Firm Reg. No. 124872W

Prashant Maharishi
Partner
Membership No. 41452

Place: Rajkot
Date: 30.05.2011

ATUL AUTO LIMITED
BALANCE SHEET AS AT 31st MARCH, 2011

(Amount in ₹)

PARTICULARS	SCH.	As at 31 st March, 2011	As at 31 st March, 2010
SOURCES OF FUNDS			
1 Shareholders' Funds			
(a) Share Capital	1	6,08,44,050	6,08,44,050
(b) Reserves and Surplus	2	<u>34,27,32,445</u>	<u>27,56,22,129</u>
		40,35,76,495	33,64,66,179
2 Loan Funds			
(a) Secured Loans	3	<u>6,00,00,000</u>	<u>23,17,15,911</u>
		6,00,00,000	23,17,15,911
3 Deferred Tax Liabilities		<u>5,40,69,270</u>	<u>5,45,28,105</u>
TOTAL FUND EMPLOYED		<u>51,76,45,765</u>	<u>62,27,10,195</u>
APPLICATION OF FUNDS			
4 Fixed Assets	4		
(a) Gross Block		63,11,46,910	58,22,55,754
(b) Less: Accumulated Depreciation		20,56,16,619	16,36,31,804
(c) Less: Impairment Provision		<u>9,18,831</u>	<u>9,18,831</u>
(d) Net Block		42,46,11,460	41,77,05,119
(e) Capital Work-in-progress including capital advances		<u>19,01,090</u>	<u>1,04,95,128</u>
		42,65,12,550	42,82,00,247
5 Investments	5	2,29,94,620	2,29,94,620
6 Currents Assets, Loans and Advances			
(a) Inventories	6	19,17,38,805	18,57,38,210
(b) Sundry debtors	7	5,40,70,115	4,51,59,676
(c) Cash and bank balances	8	2,83,85,642	1,64,68,880
(d) Loans and advances	9	<u>2,28,23,075</u>	<u>7,50,81,587</u>
(A)		29,70,17,637	32,24,48,354
7 Less: Current Liabilities and Provisions			
(a) Current liabilities	10	18,30,35,519	12,33,47,716
(b) Provisions	11	4,58,43,523	2,75,85,309
(B)		<u>22,88,79,042</u>	<u>15,09,33,025</u>
Net Current Assets (A-B)		6,81,38,595	<u>17,15,15,328</u>
TOTAL ASSETS		51,76,45,765	62,27,10,195

SIGNIFICANT ACCOUNTING POLICIES 16

NOTES TO ACCOUNTS 17

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For and on behalf of Board

For **Maharishi & co**
Chartered Accountants
Firm Reg. No. 124872W

Chandra J. J.

Patel M. J.

Prashant Maharishi
Partner
M. No.41452
Place: Rajkot
Date: 30.05.2011

Chairman and
Managing Director

Wholetime
Director

Purvi P. Mehta
Company Secretary

ATUL AUTO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31st, 2011

(Amount in ₹)

PARTICULARS	SCH.	As at 31 st March, 2011	As at 31 st March, 2010
INCOME	12		
1 Sales of Products and Income From Operations		222,00,01,584	129,93,62,628
Less: Excise Duty		<u>20,41,30,817</u>	<u>10,08,88,949</u>
		201,58,70,767	119,84,73,679
2 Other Income		<u>1,07,61,285</u>	<u>1,22,91,562</u>
		202,66,32,052	121,07,65,241
EXPENDITURE			
3 Manufacturing and Other Expenses	13	182,60,76,420	106,87,23,874
PROFIT BEFORE EXCEPTIONAL ITEM DEPRECIATION, INTEREST AND TAX		20,05,55,632	14,20,41,367
4 Depreciation	4	4,25,36,019	3,87,21,408
5 Impairment Loss	4	0	,2,08,560
6 Interest and Bank Charges	14	<u>1,73,92,318</u>	<u>3,16,09,763</u>
		5,99,28,337	7,05,39,731
PROFIT BEFORE TAX		14,06,27,295	7,15,01,636
7 Tax Expenses	15	4,63,59,635	2,61,15,102
PROFIT AFTER TAX		9,42,67,660	4,53,86,534
8 Balance Brought Forward From Previous Year		21,41,11,888	18,58,21,901
AMOUNT AVAILABLE FOR APPROPRIATION		30,83,79,548	23,12,08,435
9 APPROPRIATION			
(a) Proposed Dividend		2,34,06,080	1,17,03,040
(b) Tax on Proposed Dividend		37,97,051	19,89,517
(c) Excess Provision of Previous Year On Tax on Dividend Written Back		- 45,788	0
(d) General Reserve		94,26,766	34,03,990
(e) Balance Carried to Balance Sheet		27,17,95,439	21,41,11,888
10 EARNING PER SHARE			
- Basic and Diluted		16.11	7.76

SIGNIFICANT ACCOUNTING POLICIES 16

NOTES TO ACCOUNTS 17

The schedules referred to above and notes to accounts form an integral part of the Profit and Loss Account.

As per our report of even date

For and on behalf of Board

For **Maharishi & co**
Chartered Accountants
Firm Reg. No. 124872W

Chandra J. J.

Patel M. J.

Prashant Maharishi
Partner
M. No.41452
Place: Rajkot
Date: 30.05.2011

Chairman and
Managing Director

Wholetime
Director

Purvi P. Mehta
Company Secretary

ATUL AUTO LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Amount in ₹)

PARTICULARS	2010-2011	2009-2010
A. Cash flow from operating activities		
Net profit before taxation, and extraordinary items	14,06,27,295	7,15,01,637
Adjustment for:		
Depreciation	4,25,36,019	3,87,21,408
Impairment Loss	0	2,08,560
Loss/(Profit) on sale of fixed assets	2,47,564	0
Dividend Income	- 16,83,860	0
Interest Expenses on longterm funds	<u>1,46,15,500</u>	<u>3,16,09,762</u>
Operating Profit before working capital changes	19,63,42,517	14,20,41,367
<u>Movements in working capital:</u>		
Decrease/-Increase in Sundry Debtors	- 89,10,439	- 99,46,670
Decrease/-Increase in Inventories	- 60,00,595	- 89,78,906
Decrease/-Increase in loans and advances	5,46,73,962	21,83,799
Increase/-Decrease in Current Liabilities & Provision	6,46,88,548	2,47,05,264
Increase/-Decrease in short term borrowing relating operation	<u>-8,40,50,787</u>	<u>-4,20,35,485</u>
	2,04,00,690	-3,40,71,998
Cash generated from operations	21,67,43,208	10,79,69,369
Direct taxes paid (net of refunds)	<u>-4,94,87,025</u>	<u>-1,21,67,510</u>
Net Cash from operating activities	16,72,56,183	9,58,01,859
B. Cash flow from investing activities		
Purchase of fixed assets	-4,17,25,888	-1,93,74,129
Proceeds from sale of fixed assets	6,30,000	0
Dividends received	<u>16,83,860</u>	<u>0</u>
Net cash from investing activities	-3,94,12,028	-1,93,74,129
C. Cash flow from financing activities		
Proceeds from long-term borrowings	0	8,15,124
Repayment of long-term borrowings	-8,76,65,124	-4,43,69,454
Interest paid	-1,46,15,500	-3,16,09,762
Dividend paid	-1,17,03,040	- 29,25,760
Tax on dividend paid	<u>- 19,43,729</u>	<u>- 4,97,233</u>
Net cash used in financing activities	-11,59,27,393	-7,85,87,085
Net increase in cash and cash equivalents (A+B+C)	1,19,16,762	- 21,59,354
Cash and cash equivalents at the beginning of the year	<u>1,64,68,880</u>	<u>1,86,28,235</u>
Cash and cash equivalents at the end of the year	2,83,85,642	1,64,68,880

ATUL AUTO LIMITED**Cash Flow Statement for the year ended March 31, 2011
Components of cash and cash equivalents as at the end of the year****(Amount in ₹)**

PARTICULARS	2010-2011	2009-2010
Cash and cheques on hand with bank	4,73,981	1,63,223
- on current account	2,66,11,576	1,36,66,336
- on deposit account	4,51,951	21,89,124
- on Unpaid Dividend account	<u>8,48,134</u>	<u>4,50,197</u>
TOTAL	<u>2,79,11,661</u>	<u>1,63,05,657</u>
	<u>2,83,85,642</u>	<u>1,64,68,880</u>

As per our report of even date

For and on behalf of BoardFor **Maharishi & co**
Chartered Accountants
Firm Reg. No. 124872W**Chandra J. J.****Patel M. J.**Chairman and
Managing DirectorWholetime
Director**Prashant Maharishi**
Partner
M. No.41452
Place: Rajkot
Date: 30.05.2011**Purvi P. Mehta**
Company Secretary

ATUL AUTO LIMITED
SCHEDULES TO THE BALANCE SHEET

Sch-4 FIXED ASSETS

Particulars	Cost as at April 1, 2010	Addition	Deduction	Cost as at March 31, 2011	Depreciation for the year 2010-11	Deletion of Depreciation during the year	Accumulated depreciation upto March 31, 2011	Impairment for the year 2010-11	Impairment upto March 31, 2011	Net Book value March 31, 2011
(a) Land	46 59 821 46 59 821	0	0	46 59 821	0	0	0	0	0	46 59 821 46 59 821
(b) Buildings	9 72 59 317 8 67 63 702 1 04 95 615	57 43 548	0	10 30 02 865 9 72 59 317	30 52 058 29 23 194	0	2 50 76 776 2 20 24 718	0	0	7 79 26 089 7 52 34 599
(c) Leasehold Land	1 00 000 1 00 000	0	0	1 00 000	5 000	0	30 000	0	0	70 000 75 000
(d) Plant & Machinery and Equipment	33 98 35 372 21 74 14 724 12 24 20 648	2 89 14 782	0	36 87 50 154 33 98 35 372	2 33 42 094 2 12 47 109	0	9 97 92 143 7 64 50 049	0	7 10 271	26 82 47 740 26 75 052
(e) Furniture, Fixtures & Office Appliances	1 00 07 240 89 90 198 68 86 153	1 98 888 1 08 55 462	0	1 02 06 128 1 84 16 890	6 28 869 12 41 470	0	57 96 051 43 88 405	0	0	44 10 077 1 40 28 485
(f) Vehicles	89 90 198 68 86 153	21 04 045	0	89 90 198	5 76 946	0	36 98 140	0	0	52 92 058
(g) Computers	91 29 969 84 62 877	23 06 349 6 67 092	0	1 14 36 318 91 29 969	9 18 134 7 23 320	0	76 91 410 67 73 276	0	0	37 44 908 23 56 693
(h) Other Assets	33 98 757 29 31 249	1 14 011 4 67 508	0	35 12 768 33 98 757	1 45 104 1 45 524	0	9 85 133 8 40 029	0	2 08 560	23 19 075 23 50 168
(i) Windmill	8 91 66 272 8 91 66 272	0	0	8 91 66 272	92 19 793 92 19 793	0	5 39 92 681 4 47 72 888	0	0	3 51 73 591 4 43 93 384
(g) Intangible Asset Product Development Expenses	1 95 09 921 0	0 1 95 09 921	0	1 95 09 921	39 01 980 32 51 654	0	71 53 634 32 51 654	0	0	1 23 56 287 1 62 58 268
TOTAL	58 22 55 755	5 03 19 925	14 28 770	63 11 46 910	4 25 36 019	5 51 205	20 56 16 619	0	9 18 831	42 46 11 460
	42 63 92 038 15	58 63 717	0	58 22 55 755	3 87 21 409	0 16 36 31 805	2 08 560	9 18 831 41	77 05 120	
(h) Capital Work-in-Progress										19 01 090
GRAND TOTAL										42 65 12 550
										42 82 00 248

ATUL AUTO LIMITED
SCHEDULES TO THE BALANCE SHEET

(Amount in ₹)

PARTICULARS	As at 31 st March, 2011	As at 31 st March, 2010
Sch-1 SHARE CAPITAL		
Authorised		
Equity shares of ₹ 10/- each	80,00,000	8,00,00,000
Issued and Subscribed		
Equity shares of ₹ 10/- each	58,51,520	5,85,15,200
Paid Up		
Equity shares of ₹ 10/- each	58,51,520	5,85,15,200
Share Forfeiture Equity Share	23,28,850	23,28,850
Total	6,08,44,050	6,08,44,050
Notes:		
1. 8,91,920 (Previous Year: 8,91,920) Equity Shares of ₹ 10 each have been issued as fully paid up bonus shares by capitalizing share premium	89,19,200	89,19,200
2. 40,000 Equity Shares of ₹ 10 each have been issued as fully paid up bonus shares by capitalizing undistributed profits.	4,00,000	4,00,000
3. 5,00,000 Equity Shares of ₹ 10 each have been issued as private placement.	50,00,000	50,00,000
	As at March 31st, 2010	Addition
	Deletion	As at March 31st, 2011
Sch-2 RESERVE AND SURPLUS		
(a) Capital Reserve	30,00,000	0
	30,00,000	0
(b) Securities Premium Account	5,51,06,250	0
	5,51,06,250	0
	5,81,06,250	0
	5,81,06,250	0
(c) General Reserve	34,03,990	94,26,766
	0	34,03,990
(d) Profit and Loss Account		27,17,95,439
		<u>21,41,11,888</u>
TOTAL		34,27,32,445
		<u>27,56,22,128</u>
	As at March 31st, 2011	As at March 31 st , 2010
Sch-3 SECURED LOAN		
1 From Banks		
(A) <u>Cash Credit Facilities</u>		
(i) From IDBI	0	8,40,50,787
Cash Credit Facilities with IDBI Bank is secured by hypothecation of stock and book debts of the company, equitable mortgage on the entire fixed asset of the company and personally guaranteed by some of the directors of the company.		
(B) <u>Term Loans</u>		
(a) From IDBI	6,00,00,000	14,68,50,000
Term Loan from IDBI is secured by equitable mortgage of immovable properties and hypothecation of plant and machinery etc and personal guarantee of some of the directors of the company and third party Instalment due within 12 months ₹3,00,00,000/- (PY ₹ 60,00,000/-)		

ATUL AUTO LIMITED
SCHEDULES TO THE BALANCE SHEET

(Amount in ₹)

PARTICULARS	As at 31 st March, 2011	As at 31 st March, 2010
(b) From Other Financial Institution From Kotak Mahindra Prime Limited Loan is secured by the hypothecation of vehicle for which the loan was taken. Instalment due within 12 months Nil (PY ₹ 5,75,988)	0	8,15,124
	6,00,00,000	23,17,15,911
	No. Face Value	As at March 31st, 2011
		As at March 31st, 2010
Sch-5 INVESTMENT		
Long Term Investments(At Cost)		
A. Other then trade unquoted		
Government Securities - National Savings Certificates FV ₹ 3,000/-		3,000
		3,000
Quoted		
<u>Equity Shares</u>		
62(previous year 62) shares of ₹10 each fully paid-up in Suzlon Energy Ltd.	310 2	31,620
		31,620
B. In Associates Companies		
<u>Unquoted, fully paid-up</u>		
22,96,000 (previous year 22,96,000) equity shares of ₹10 each in Khushbu Auto Finance Limited	22,96,000 10	2,29,60,000
		2,29,60,000
Aggregate amount of quoted investments (Market Value ₹ 4,458 as per BSE)		31,620
Aggregate amount of unquoted Investments		2,29,63,000
		<u>2,29,94,620</u>
		<u>2,29,94,620</u>
Sch-6 INVENTORIES		
(a) Raw material and components		16 30 00 957
(b) Work-in-progress		14 71 51 745
(c) Finished Goods		2 63 55 047
		2 97 39 162
		<u>23 82 801</u>
		<u>88 47 303</u>
		<u>19 17 38 805</u>
		<u>18 57 38 210</u>
Sch-7 SUNDRY DEBTORS		
(a) Debts outstanding for a period exceeding six months		
Unsecured, considered good		11 86 559
		16 43 680
(b) Other debts		
Unsecured, considered good		5 28 83 556
		4 35 15 996
		<u>5 40 70 115</u>
		<u>4 51 59 676</u>
Includes debts due from a company in which Director is a member & In which the relative of the director has significant control		
Khushbu Auto Private Limited		4 50 84 039
New Chandra Motor Cycle House		43 18 999
New Chandra Motor Cycle Agency		14 06 841
		13 09 008
		<u>22 12 115</u>
		7 97 033
Sch-8 CASH AND BANK BALANCES		
(a) Cash on hand		4 73 981
		1 63 223
(b) Balance with scheduled banks		
In current accounts		2 66 11 576
In deposit accounts		1 36 66 336
In unpaid dividend accounts		4 51 951
		21 89 124
		<u>8 48 134</u>
		<u>4 50 197</u>
		<u>2 83 85 642</u>
		<u>1 64 68 880</u>

ATUL AUTO LIMITED
SCHEDULES TO THE BALANCE SHEET

(Amount in ₹)

PARTICULARS	As at 31 st March, 2011	As at 31 st March, 2010
Sch-9 LOANS AND ADVANCES		
<u>Unsecured, considered good</u>		
(a) Dues from Associate Company - Khushbu Auto Finance Limited in which directors are member	0	71 15 685
(b) Advances receivable in cash or kind or for value to be received	97 17 481	3 06 65 368
(c) Inter-corporate deposits due from Associate i.e. Khushbu Auto Finance Limited in which directors are member	0	2 74 25 000
(d) Deposits with Government, Public Bodies and Others		
(i) Balance with Customs, Excise, etc.	23 41 335	17 82 950
(ii) Balance with other authorities	4 77 371	4 77 371
(iii) Other Deposits	24 18 609	36 96 448
(g) Others	78 72 279	39 18 764
	2 28 23 075	7 50 81 587
Sch-10 CURRENT LIABILITIES		
(a) Sundry creditors	10 75 34 610	8 88 65 933
(i) total outstanding dues of Micro, Medium and Small Enterprise	68 35 909	37 58 255
(ii) total outstanding dues of creditor other than Micro, Medium and Small Enterprise	10 06 98 701	8 51 07 678
(b) Advances from dealers	3 36 63 464	35 66 786
(c) Security Deposits from dealers	1 67 71 001	88 46 001
(d) Others	2 42 18 310	2 16 22 039
(e) Liability towards Investor Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
(i) Unpaid dividend	8 48 134	4 46 957
	18 30 35 519	12 33 47 716
Sch-11 PROVISIONS		
(a) Provision for taxation	62 87 392	66 90 498
(b) Provision for Wealth Tax	1 70 000	20 000
(c) Proposed dividend	2 34 06 080	1 17 03 040
(d) Tax on proposed dividend	37 97 051	19 89 517
	3 36 60 523	2 04 03 055
Provision for Gratuity	54 83 268	27 88 630
Provision for Group Gratuity Insurance	60 000	0
Provision for Warranties	23 35 544	13 54 224
Provision for After Sales Services	38 61 700	27 72 500
Provision for PDI Coupon Exp	4 42 488	2 66 900
TOTAL	4 58 43 523	2 75 85 309

ATUL AUTO LIMITED
SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in ₹)

PARTICULARS	2010-2011	2009-2010
Sch-12		
SALE OF PRODUCTS AND OTHER INCOME		
1 Sale of products and other income from operation		
(a) Sale of Vehicle	213 97 82 774	124 15 84 666
(b) Sale of Spares	7 50 32 916	5 13 26 379
(c) Power Generation Income	51 85 894	64 51 583
	222 00 01 584	129 93 62 628
2 Dividend and Other Income		
(a) Dividend	16 63 860	0
(b) Interest	45 07 837	39 97 760
(c) DEPB Income	25 51 547	49 89 817
(d) Other Income	20 38 041	<u>33 03 985</u>
	1 07 61 285	1 22 91 562
Notes:		
1 Dividend includes		
Dividend from Short Term Investment	16 83 860	0
2 Interest includes		
Interest on Bank deposits Tax deduction at sources ₹7,302/- (PY ₹19,825/-)	1 80 182	1 69 712
Interest on Loan to Associate Company Tax deduction at sources ₹2,83,343/- (PY ₹2,69,595/-)	28 33 450	26 95 955
On overdues from customers tax deduction at source ₹ Nil /- (PY ₹5,014/-)	6 19 775	9 81 414
On Deposit with PGVCL Tax Deduction at source ₹ 10,642/- (PY ₹ 15,068)	1 06 424	1 50 679
Interest on I. T. Refund	2 62 970	0
Interest on loan to Enterprise owned by relative of Key Managerial Personnel Tax deduction at source ₹ 50,504/- (PY ₹ Nil)	5 05 036	0
3 Other Income includes		
Bad Debts written back	0	2 81 212
Royalty Income	2 67 017	0
Sales Tax Refund	28 401	0
Insurance Claim Receivable	0	8 44 332
Insurance Commission	10 01 124	10 15 803
Misc Income	7 41 499	11 62 638
Sch-13		
MANUFACTURING AND OTHER EXPENSES		
1 Consumption of Raw Material		
Inventories as at 1st April, 2010	14 71 51 745	14 58 70 252
Add: Purchases	151 31 80 162	88 47 18 294
Add: Purchase Expenses	6 47 02 022	3 25 77 468
Less: Inventories as at 31st March, 2011	<u>16 30 00 957</u>	<u>14 71 51 745</u>
	156 20 32 972	91 60 14 268
2 Manufacturing Expenses	3 61 72 555	2 56 38 395
3 Payment to and provision for employees		
(a) Salaries, wages and bonus	8 57 32 816	5 62 76 163
(b) Contribution to provident fund	62 50 534	47 59 088
(c) Gratuity Expenses	48 96 054	29 93 316
(d) Other Staff Cost	24 66 085	19 64 234
(e) Workmen and Staff welfare expenses	<u>60 69 531</u>	<u>43 48 681</u>
	10 54 15 020	7 03 41 482

ATUL AUTO LIMITED
SCHEDULES TO THE PROFIT & LOSS ACCOUNT

(Amount in ₹)

PARTICULARS	2010-2011	2009-2010
4 Administration & Selling Expenses		
(a) Freight and forwarding charges	28 51 248	27 59 041
(b) Rent	18 53 963	4 58 323
(c) Rates & Taxes	5 28 945	1 51 490
(d) Repairs and maintenance Others	42 57 156	29 76 467
(e) Insurance	31 60 471	36 90 994
(f) Advertising and sales promotion	84 19 958	92 28 545
(g) Travelling and conveyance	1 71 63 198	94 99 527
(h) Communication cost	20 87 477	16 90 906
(i) Printing and stationery	22 37 292	30 79 789
(j) Legal and professional fees	2 20 905	4 71 400
(k) Remuneration to Auditor	9 14 196	6 62 388
(l) Directors' sitting fees	54 000	40 000
(m) Directors' Remuneration	89 40 300	35 13 340
(n) Exchange difference (net)	62 063	3 49 830
(o) Donation and contributions to charitable Institutions	12 00 197	1 61 702
(p) Warranty & After Sales Exp	1 33 02 818	82 75 695
(q) Miscellaneous expenses	<u>4 61 91 694</u>	<u>1 69 44 228</u>
	11 34 45 882	6 39 53 664
5 (Increase)/Decrease of Excise Duty on Inventory	- 8 38 626	4 73 479
6 Changes in Stock-in-trade and Work-in-Progress		
Inventories as at 31st March, 2011		
-Work-in-progress	2 63 55 047	2 97 39 162
-Finished Goods	<u>23 82 801</u>	<u>88 47 303</u>
	2 87 37 848	3 85 86 465
Inventories as at 1st April, 2010		
-Work-in-progress	2 97 39 162	2 47 23 408
-Finished Goods	<u>88 47 303</u>	<u>61 65 644</u>
	3 85 86 465	3 08 89 052
	98 48 617	- 76 97 413
	182 60 76 420	106 87 23 874
Sch-14 FINANCIAL EXPENSES		
1 Interest		
(a) On term loans	1 46 15 500	1 83 99 407
(b) On Cash Credit	14 50 061	89 92 128
(c) Others	<u>9 93 032</u>	4 18 748
	1 70 58 593	2 78 10 283
2 Bank Charges	<u>3 33 725</u>	37 99 479
	1 73 92 318	3 16 09 763
Sch-15 TAX EXPENSES		
Current tax	4 62 89 000	1 58 15 751
Previous Year's Tax	3 67 612	0
Deferred tax	- 4 58 835	1 02 31 712
Wealth Tax	1 50 000	0
Fringe benefit tax	0	67 639
TDS on Contract	<u>11 858</u>	<u>0</u>
	4 63 59 635	2 61 15 102

Sch-16 SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Atul Auto Limited, incorporated on 18-06-1986 is a manufacturer of Three Wheeler Auto Rickshaw (Passenger /Loading) and its spare parts. It produces Auto Rickshaw under Atul Shakti & Atul Gem brand names. The Company is also engaged in the generation of Electricity with Wind Turbine Generator at Village Soda Mada, Rajasthan and at Village Gandhavi, Gujarat.

(a) Basis of Preparation

The financial statements have been prepared to comply in all material respects with the standards notified under The Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed more fully below, are consistent with those used in the previous year.

(b) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimated. Any revision to accounting estimates is recognised in accordance with the requirements of the respective accounting standard.

(c) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares

Lower of cost or net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a FIFO basis. Cost includes relevant cost of bringing those material at their present location and condition.

Work-in-progress and finished goods

Lower of cost or net realizable value. Cost includes Direct Materials and Labour and a proportion of Manufacturing Overheads based on normal operating capacity or actual production whichever is less. Cost of finished goods includes excise duty.

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

(d) Events occurring after the balance sheet date

Material events occurring after the date of balance sheet are recognized and are dealt with appropriately in accordance with generally accepted accounting principles and as provided in AS-5

(e) Depreciation

Depreciation is provided using the Straight Line Method as per the rates prescribed under schedule XIV of the Companies Act, 1956 except in case of :

Leasehold Land - Amortised over the period of the lease.

Intangible Asset - Amortised over a period of 5 years as estimated by the management.

(f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sales of Goods

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer. Excise Duty included in the amount of turnover (gross) are deducted from turnover (gross) for disclosure of net turnover in the P&L account.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

Revenue is recognised when the company's right to receive payment is established by the balance sheet date.

(g) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of CENVAT recoverable. Financing costs relating to construction of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Financing costs not relating to construction of fixed assets are charged to the income statements.

(h) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting monetary items

of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expense in the year in which they arise.

(i) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current Investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost, less provision for diminution in value other than temporary.

(j) Employee Benefits

Gratuity

The Gratuity Liability is defined benefit obligation. The company has created Employees Group Gratuity Fund which has taken a Group Gratuity Insurance Policy from Life Insurance Corporation of India (LIC). Premium on above policy as intimated by LIC is charged to the Profit & Loss Account. The adequacy of balances available is compared with actuarial valuation obtained at the period end. Shortfall, if any, is provided for in the Profit & Loss Account.

Provident Fund

Retirement benefits in the form of Provident fund is a defined contribution scheme in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contribution are charged to the profit and loss account of the year when the contribution to the respective funds are due.

Leave Salary

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date.

(k) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(l) Segment Reporting

The company is engaged mainly in the business of automobile products. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical segment.

(m) Earning Per Share

Basic earning per share are 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that

they were entitled to participate in dividends relative to a fully paid equity share during the reporting period.

(n) Income Taxes

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

(o) 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 i.e. from June 1, 2009.

(p) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there are impairment indicators. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

A previously recognised impairment loss is increased or decreased based on reassessment of recoverable amount, which is carried out if the change is significant. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

(q) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(r) Product Warranty Expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. However any risk covered by insurance policy premium paid on such policy are charged to revenue in the year in which it is incurred.

Sch-17 NOTES TO ACCOUNTS

A Investments Purchased and sold during the year:

Particulars	Face Value	Nos.	Cost
Mutual Fund Units			
IDBI Liquid Fund	10	1 14 39 976.421	11 43 99 764
IDBI Liquid Fund	1000	1 12 745.793	11 27 45 793
IDBI Ultra Short Fund	10	4 74 43 035.170	47 44 30 352
Tata Floater Fund - Daily Dividend	10	16 51 044.990	1 65 69 227
Tata Liquid Fund High Investment - Daily Dividend	1000	49 873.343	5 55 75 756
Tata Super High Investment - Daily Dividend	1000	8 989.136	1 00 18 573

B. Major Components of Deferred Tax arising on account of timing difference are

PARTICULARS	2010-2011	2009-2010
Liabilities		
Depreciation	5 29 79 620	5 22 14 566
Product Development Cost	23 38 210	31 48 140
	5 53 17 830	5 53 62 706
Assets		
Impairment of Assets	3 05 210	3 12 311
Balance amount to be allowable u/s 35AD	1 36 350	0
Expenses allowable on payment basis	8 07 000	5 22 290
	12 48 560	8 34 601
Net Deferred Tax Liability	5 40 69 270	5 45 28 105
Less: Opening Balance of Deferred Tax Liability	5 45 28 105	4 42 96 390
Deferred Tax charge for the year	- 4 58 835	1 02 31 715

C Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and interest outstanding during 2010-11 is given below:

	2010-11	2009-10
(i) Amounts unpaid as at year end - Principal	68 35 909	37 58 255
Interest	0	0
(ii) Amounts paid after appointed date during the year	0	0
(iii) Amount of interest accrued and unpaid as at year end	0	0
(iv) Amount of interest paid during the year as per section 16	0	0

D Provisions

	2010-11	2009-10
Provision for Warranty		
Opening Balance	13 54 224	34 67 418
Provision for the year	42 34 732	16 69 913
Payments/debits	32 53 412	37 83 107
Closing Balance	23 35 544	13 54 224
Provision for After Sales Service & P.D.I./W.R.C.		
Opening Balance	30 39 400	5 03 715
Provision for the year	1 01 65 407	81 96 638
Payments/debits	89 00 619	56 60 953
Closing Balance	43 04 188	30 39 400

E Contingent Liabilities not provided for

	2010-11	2009-10
Claims against the Company not acknowledged as debts		
Sales Tax	2 02 531	2 02 531
CST	11 83 791	11 83 791
Excise Duty	23 12 273	1 02 510
Income Tax	69 45 823	0
Case Pending before consumer forum	41 14 375	47 91 000
Case filed by the supplier in the Court	11 17 29 796	11 17 29 796
Guarantees and counter guarantees given by the company	0	59 40 00 000
TOTAL	12 64 88 589	71 20 09 628

F Gratuity and other post-employment benefit plans:

The company has a defined benefit gratuity plan. Every employee who has completed five years or more service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summaries the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

	2010-11	2009-10
Components of Employer Expenses		
Current service cost	19 87 644	11 28 921
Interest cost on benefit obligation	5 54 364	3 28 933
expected return on plan assets	- 3 84 384	- 2 81 906
Net actuarial (gain)/loss recognized in the year	25 84 658	16 50 979
	47 42 282	28 26 927
<u>Net Liability recognised in Balance Sheet as at March 31</u>		
Defined benefit obligation	1 12 09 434	69 29 549
Fair value of plan assets	57 26 166	42 00 919
	- 54 83 268	- 27 28 630
<u>Changes in the present value of the defined benefit obligation are as follows:</u>		
Opening defined benefit obligation	69 29 549	41 11 565
Interest Cost	5 54 364	3 28 933
Current service cost	19 87 644	11 28 921
Benefit paid	- 8 66 315	- 3 03 398
Actuarial (gains)/losses on obligation	26 04 192	16 63 528
Closing defined benefit obligation	1 12 09 434	69 29 549
<u>Changes in the fair value of plan assets are as follows:</u>		
Opening fair value of plan assets	42 00 919	30 80 941
Expected return	3 84 384	2 81 906
Contribution by employer	19 87 644	11 28 921
Benefit s paid	- 8 66 315	- 3 03 398
Actuarial gains/(losses)	19 534	12 549
Closing fair value of plan assets	57 26 166	42 00 919
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows		
Investments with Insurer	100%	100%

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled. There has been significant change in expected rate of return on assets due to the improved stock market scenario.

The principal assumptions used in determining gratuity benefit obligations for the company's plan are shown below:

Discount rate	8.00%	8.00%
Expected rate of return on assets	9.15%	9.15%

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand of the employment market.

Amounts for the current and previous periods are as follows

Defined Benefit Obligation	1 12 09 434	69 29 549
Plan Assets	57 26 166	42 00 919

G Estimated amount of contracts remaining to be executed on capital accounts and not provided for

	2010-11	2009-10
For purchase of Residential Property	1 21 80 008	0
Others	Nil	Nil

H Supplementary Statutory Information

	2010-11	2009-10
Director's Remuneration		
Salaries	89 40 300	37 32 884

Note: As the future liability for gratuity and leave encashment is provided on an actuarial basis for the company as whole, the amount pertaining to the directors is not ascertainable and, therefore, not included above.

Out of above Remuneration paid to Whole time director ₹Nil (PY : ₹2,19,544/-) is capitalized as Product Development expenses included in Capital Work-in-Progress.

Computation of net Profit in accordance with section 349 of the Companies Act, 1956 for calculation of commission payable to directors

Company has been advised that the computation of net profits for the purpose of directors' remuneration under section 349 of the Companies Act, 1956 need not be enumerated since commission have not been paid to the directors. Fixed monthly remuneration has been paid to the directors as per schedule XIII to the Companies Act 1956.

Auditor's Remuneration includes

Audit Fees	5 00 000	3 00 000
Taxation Matters	2 05 000	2 47 500
Other Services	1 26 000	1 00 000
Out-of-Pocket Expenses	83 196	14 888
TOTAL	9 14 196	6 62 388

Excise Duty

Excise duty on sales amounting to ₹ 20,41,30,817/- (PY : ₹10,08,88,949) has been reduced from sales in profit & loss account and excise duty on increase/(decrease) in stock amounting to ₹(8,38,626)/- (PY : ₹ 4,01,485/-) has been considered as (income)/expense in Schedule 5 of financial statement

Earnings in foreign currency (Cash/accrual basis)

Export at F.O.B. value	3 02 63 892	60 63 864
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Expenditure in foreign currency (Cash/accrual basis)

Travelling	13 35 719	1 68 528
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Value of Imports calculated on CIF basis

Repairs to Machinery	1 14 610	0
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Net dividend remitted in foreign exchange

Period to which it relates

	2009 - 10	2008-09
Number of non-resident shareholders	43	32
Number of equity shares held on which dividend was due	2 61 450	4 15 859
Amount remitted	5 22 900	2 07 929

I Related Party disclosure as required under clause 32 of The Listing Agreement**a > Names of Related Parties****Associates**

Khushbu Auto Finance Limited

Key Management Personnel

- | | |
|--------------------------------|------------------------------|
| 1. Chandra Jayantilal Jagjivan | Chairman & Managing director |
| 2. Patel Mahendra Jamnadas | Wholetime director |
| 3. Mittal Sunilkumar | Wholetime director |

Relatives of**Key Management Personnel**

- | | |
|--------------------------------|---|
| 1. Chandra Dharmendra Jagjivan | Brother of Chairman & Managing Director Shri Chandra Jayantilal |
| 2. Chandra Harish Jagjivan | Brother of Chairman & Managing Director Shri Chandra Jayantilal |
| 3. Chandra Mahesh Jagjivan | Brother of Chairman & Managing Director Shri Chandra Jayantilal |
| 4. Chandra Bharat Jagjivan | Brother of Chairman & Managing Director Shri Chandra Jayantilal |
| 5. Chandra Niraj Jayantilal | Son of Chairman & Managing Director Shri Chandra Jayantilal Jagjivan |
| 6. Chandra Prafulla Jayantilal | Wife of Chairman & Managing Director Shri Chandra Jayantilal Jagjivan |
| 7. Patel Ashok Jamnadas | Brother of Wholetime Director Shri Mahendra Jamnadas |
| 8. Patel Manisha Mahendra | Wife of Wholetime Director Shri Mahendra Jamnadas |

Enterprises owned or significantly influenced by Key Management Personnel or their relatives

1. Atul Auto Agency
2. Atul Auto Industries
3. Atul Automotives
4. Atul Motors Pvt. Ltd.
5. Atul Petroleum
6. Khushbu Auto Private Limited
7. New Chandra Motor Cycle Agency
8. New Chandra Motor Cycle House
9. Atul Automobiles

b > Related party disclosure

	Associates	Key Management Personnel	Enterprise owned or significantly influenced by key management personnel or their relatives	Relative of Key Managerial Personnel	Total
Sale (Inclusive of Tax	0	0	30,98,07,746	0	30,98,07,746
	1 54 731	0	27 58 17 491	0	27 59 72 222
Purchase (inclusive of tax)	0	0	19 04 997	0	19 04 997
	0	0	6 72 135	0	6 72 135
Current Account	4 42 70 688	0	0	0	4 42 70 688
	2 71 66 749	0	0	0	2 71 66 749
Remuneration	0	89 40 300	0	7 56 096	96 96 396
	0	37 32 884	0	5 89 872	43 22 756
Reimbursement of Expenses (Net)	0	16 17 018	1 28 100	1 64 761	19 09 879
	0	12 45 345	21 780	1 00 921	13 68 046
(Sale)/purchase of fixed assets	0	0	8 20 300	0	8 20 300
	0	0	76 45 468	0	76 45 468
Warranty Claims/After Sales Services/PDI/ WRC/Labour Charges	0	0	13 47 768	0	13 47 768
	0	0	13 34 950	0	13 34 950
After Sales Service Receivable	0	0	25 900	0	25 900
	0	0	0	0	0
Vehicle Repairing Exp	0	0	61 012	0	61 012
	0	0	0	0	0
Services Received	0	0	73 186	0	73 186
	0	0	63 409	0	63 409
Interest Received	28 33 450	0	5 05 035	0	33 38 485
	26 95 955	0	0	0	26 95 955
Risk Pool Income	0	0	0	0	0
	0	0	1 50 000	0	1 50 000
Amount Written Off	0	0	0	0	0
	0	0	1 00 000	0	1 00 000
Guarantees given/(obtained)	0	0	0	0	0
	59 40 00 000	0	0	0	59 40 00 000
Balance outstanding as at the year end					
Receivable	0	0	6 45 38 647	0	6 45 38 647
	73 06 074	0	1 37 39 613	0	2 10 45 687
Payable	0	0	1 58 42 076	0	1 58 42 076
	0	0	67 359	0	67 359
Equity Capital Contribution	2 29 60 000	0	0	0	2 29 60 000
	2 29 60 000	0	0	0	2 29 60 000
Inter corporate Deposits	0	0	0	0	0
	2 74 25 000	0	0	0	2 74 25 000

c > Disclosure in respect of material transaction with related parties

Transaction	Name of the Party	Amount
Current Account	Khushbu Auto Finance Limited	4 42 70 688 2 17 66 749
	Khushbu Auto Private Limited	4 40 592 2 00 174
Purchase of Goods	Atul Auto Industries	5 87 022 0
	New Chandra Motor Cycle House	8 75 960 4 71 961
Sale of Goods	Khushbu Auto Private Limited	28 79 23 900 26 09 79 525
	Khushbu Auto Finance Limited	0 1 54 731
	New Chandra Motor Cycle Agency	1 56 51 754 91 72 673
	New Chandra Motor Cycle House	60 59 330 56 65 293
After Sales Services/ Warranty Claim/PDI/WRC/ Labour Charges	Khushbu Auto Private Limited	13 05 545 3 64 981
	New Chandra Motor Cycle Agency	42 223 37 886
Amount Written Off	New Chandra Motor Cycle House	0 1 00 000
Guarantee Given	Khushbu Auto Finance Limited	0 69 40 000

J Information in regard to Opening Stock and Closing Stock:

	2010-11		2009-10	
	<u>Quantity Nos.</u>	<u>Value</u>	<u>Quantity Nos.</u>	<u>Value</u>
(a) Opening Stock				
Three Wheelers	108	88,47,303	65	61,65,644
Two Wheelers	0	0	1	0
		88,47,303		61,65,644
(b) Closing Stock				
Three Wheelers	26	23,82,801	108	88,47,303
Two Wheelers	0	0	0	0
		23,82,801		88,47,303

K Details with regard to sales effected by the Company:

	2010-11		2009-10	
	<u>Quantity Nos.</u>	<u>Value</u>	<u>Quantity Nos.</u>	<u>Value</u>
3 Wheelers (Manufactured)	19 398	194 18 29 248	12 329	114 43 62 873
3 Wheelers (Traded)	6	10 06 156	0	0
Spares Parts for Vehicles		6 78 49 469		4 76 59 223
Power Generation Income	13 63 715	51 85 894	17 35 043	64 51 583
		201 58 70 767		119 84 73 679

L Details with regard to purchase of trade effected by the company

	2010 - 2011		2009 - 2010	
	Quantity Nos.	Value	Quantity Nos.	Value
3 Wheelers	6	5 53 662	0	0

M Quantitative information in regard to installed capacity and the actual production by the company

	Units of Measurement	Installed Capacity	Actual Production
3 Wheelers	No. of Vehicle	Not Ascertainable	19 321 12 379
<u>Power Generation</u>			
For Sales (Rajashthan windmill)	Units	29 00 000 29 00 000	13 63 715 17 35 043
For own Consumption (Gujarat Windmill)	Units	16 00 000 16 00 000	12 57 451 14 12 113

Note: During the year 5 Three Wheelers (PY 7) and 0 Two Wheelers (PY 1) were dismantled.

N Details with regard to consumption of raw material

	2010-11		2009-10	
	Quantity Nos.	Value	Quantity Nos.	Value
Engine	19 321	47 21 10 647	12 358	28 46 81 475
Others		108 93 68 663		63 13 32 793
Total		156 14 79 310		91 60 14 268

O Other Note**Previous Year Comparatives**

Previous year's figures have been regrouped wherever necessary to confirm to this year's classification.

As per our report of even date
For Maharishi & Co.,
Chartered Accountants
Firm Reg. No. 124872W

For and on behalf of Board

Chandra J. J.

Patel M. J.

Prashant Maharishi
Partner
M. No. 41452

Chairman and
Managing Director

Wholetime
Director

Place: Rajkot
Date : 30.05.2011

Purvi P. Mehta
Company Secretary

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.:	16999	State Code	04
Balance Sheet Date	31/03/2011		

II Capital Raised During The Year (Amount in Thousand)

Public Issue	0	Right Issue	0
Bonus Issue	0	Private Placement	0

III Position of Mobilisation And Development of Funds (Amount in Thousands)

Total Liabilities	7 46 525	Total Assets	7 46 525
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Sources of Funds

Paid Capital	60 844	Reserve & Surplus	3 42 732
Secured Loans	60 000	Unsecured Loans	0

Application of Funds

Net Fixed Assets	4 26 513	Investments	22 995
Net Current Assets	68 139	Miscellaneous Expenditure	0
Accumulated Losses	0		

IV Performance of Company (Amount in Thousands)

Turnover (Sales and Other Income)	20 10 685	Total Expenditure	18 86 005
Profit before Tax	1 40 627	Profit After Tax	94 268
Earning Per Share Basic Rs.	16.11	Dividend Rate(%)	40%
Earning Per Share Diluted Rs.	16.11		

V Generic names of principal products/services of the Company

(As per monetary Items)

Item Code No. (ITC Code)	87114.01	Product Description	Auto Rickshaw
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LETTER TO SHAREHOLDER FOR GREEN INITIATIVE

Date: 30/05/2011

Dear Shareholder,

The Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in Corporate Governance" (Circular No. 17/2011 dated 21.04.2011, Circular No. 18/2011 dated 29.04.2011 and Circular No. 21/2011 dated 02.05.2011) allowing paperless compliances by Companies through electronic mode. Companies are now permitted to send various Notice / documents to its shareholders through electronic mode to the registered e-mail addresses of shareholders.

Keeping in view the underlying theme and the circulars issued by MCA, we propose to send documents like Notice convening General Meeting (s), Audited Financial Statements, Directors Report, Auditors' Report or any other communication in electronic form, to the mail address provided by you and made available to us by the Depository Participants.

In the records provided to us by the Depository Participants, in case your e-mail address is not registered, Kindly inform the same to your Depository Participant, or you can also register your e-mail with Company on the following e-mail addresses:

Investorrelations@atulauto.co.in

You can also change or register your e-mail address, from time to time, by completing online registration form "Form for Registering/Changing E-mail Address" on the website of the Company www.atulauto.co.in, under the Investors section.

Please register your e-mail address as soon as possible, in order to enable us to send the above mentioned documents to you through electronic mode to the e-mail address registered by you.

Please note that these documents will also be accessible on the Company's website www.atulauto.co.in, and will be available for downloading by the shareholders

Please note that you will be entitled to be furnished, free of cost, with a copy of the documents mentioned above upon receipt of a requisition form you, any time, as a member of the Company. In case you desire to receive the documents mentioned above in physical form, please inform us accordingly.

We are sure you would appreciate the "Green Initiative" taken by MCA and your Company's desire to participate in such initiatives. We are looking forward to your whole-hearted support in this initiative and request your co-operation in helping us to implement the same.

Thanking you,

Yours faithfully
For **Atul Auto Limited**

Purvi P Mehta
Company Secretary

ATUL AUTO LIMITED
ECS MANDATE FORM

I hereby authorize you to make all payments in respect of my holding in your Company to my bankers for crediting to my account as detailed below:

1. Shareholder's name :
(In Block letters) (First holder)

2. Folio Number/DP ID :
and Client Id No. (Joint holder, if any)

3. Number of Shares held :

4. Name of the bank :

5. Branch name and address :

6. Account type SB [] Current [] Others []
[Mark 'X' in the A/c A/c (please specify)
approximate box]

7. Bank account number :

8. Ledger folio number of the account :
(as appearing on cheque Book)

9. Nine digit code number of the bank :
and branch appearing on the cheque

10. PNR/GIR no. Ward No.

I/We hereby declare that the particulars given above are correct and complete. If credit is not effected for the reason(s) of incomplete or incorrect information. I/We would not hold the Company responsible.

Dated :
Signature of the first holder
(as appearing in the Company's records)

.....
Certificate of the investor's bank

Certified that the particulars of the bank account furnished above are correct as per our records.

Bank Stamp:

Dated:
Signature of the authorized official of the bank

Note: Please attach a photocopy of cheques issued by your bank relating to your above account for varifying of the code number.

**TWENTY THIRD ANNUAL REPORT 2010 - 2011
ATTENDANCE SLIP**

I certify that I am registered shareholder / proxy for the registered shareholder of the company.

I hereby record my presence at the 23rd Annual General Meeting of the Company at Survey No, 86, Plot Nos. 1 to 4, National Highway 8-B, Shapar (Veraval), RAJKOT-360 002. on Saturday, Dt. 30-07-11.

Member's / Proxy's name in Block Letters _____

Member's / Proxy's Signature _____

Client ID _____

DP ID _____

Note :

1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the ENTRANCE OF THE MEETING PLACE.
2. The Shareholding stated above is subject to change for transfers upto date of meeting. THIS ATTENDANCE SLIP IS VALID ONLY IN CASE SHARES ARE HELD ON THE DATE OF MEETING.

ATUL AUTO LIMITED

Regd. Office : Survey No. 86, Plot Nos. 1 to 4, National Highway 8-B,
Shapar (Veraval) RAJKOT - 360 002.

PROXY

I / We _____
of _____ in the district of _____ being
a Member / Members of the above named Company, with Client ID _____
DPID _____ hereby appoint _____ of _____ in the
district of _____ or fulfilling him / her _____
as my / our Proxy to attend and vote for me / us and on my / our until of the "23rd
Annual General Meeting of the Company" to be held Saturday, Dt. 30-07-11., at 4-00
P.M. and at any adjournment thereof.

Signed this _____ day of _____ 2011

Reference edin _____

Signature _____



NOTE : A proxy in order to be valid must be duly filled in, stamped, signed & deposited at the Registered Office of the company at Survey No. 86, Plot Nos. 1 to 4, National Highway 8-B, Shapar (Veraval), Dist. RAJKOT - 360 002, not less then 48 hours before commencement of the meeting.