

Report on Corporate Governance

Our Corporate Governance Philosophy

Corporate governance is about commitment to values and ethical business conduct. At Atul Auto, good corporate governance is intrinsic to the management of company affairs. These values and principles set the context to manage our Company affairs in a fair and transparent manner. As a responsible corporation, these values set the framework to maintain accountability in all our affairs and democratic and open processes.

We believe that sound corporate governance is critical to enhance and retain investor trust. Accordingly, we always seek to ensure that we attain our performance goals with integrity. We also endeavor to enhance long-term shareholders' value and respect minority rights in all our business decisions. Recognizing that good corporate governance is the responsibility and privilege of every stakeholder of the company, we have involved guidelines and practices over the years to ensure timely and accurate disclosure of information regarding our financials and performance as well as the leadership and governance of the company.

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
- The Management is the trustee of the shareholders' capital and not the owner

The Board of Directors ('the Board') is at the core of our corporate governance practice and oversees how the Management serves and protects the long term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. It is well recognized that an effective Board of Director is a pre requisite for strong and effective corporate governance. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

In our Board, 8 out of 4 are independent members. Further, we have audit committee, remuneration committee, shareholders grievance committee, which comprises independent directors as chairman.

Corporate Governance Guidelines

Over the years, the Board has developed corporate governance guidelines to fulfill our corporate responsibility towards our stakeholders. These guidelines ensure that the Board will have the necessary authority and processes in place to review and evaluate our operations when required. Further, these guidelines allow the Board to make decisions that are independent of the Management. The Board may change these guidelines from time to time to achieve our stated objectives.

A. Board Composition

Size and composition of the Board

The current policy is to have an appropriate mix of executive and non-executive directors to maintain the independence of the Board and to separate its functions of governance and management. Currently, the Board consists of 8 members: 3 are whole time directors, 1 is non independent & non executive director and 4 are independent and non executive directors.

Two of the executive directors are founder promoters of the Company. The Board believes that the current size is appropriate based on our present circumstances. The Board periodically evaluates the need for change in its composition and size.

Composition of the Board, and directorships held as at March 31, 2013

Name of the Directors	Designation	Age	Qualification	Expertise	Other Directorship
Executive Director					
J J Chandra	Chairman & Managing Director	58	Under Graduate	Eminent industrialist with wide business experience in Automobile Industry for last 37 year	Nil
Mahendra J Patel	Whole time Director	50	Under Graduate	21 years ofT experience in Automobile Industry	Nil
Niraj J Chandra	Whole time Director	34	Under Graduate	marketing, production and general administrative skill	Atul Auto Lanka (P) Ltd, Sri Lanka
Non Independent & Non Executive Director					
Vijay K Kedia	Director	53	B. Com	More than 27 years of experience in the field of Finance & Securities Market.	1. Kedia Securities Pvt. Ltd. 2. Three PI Services Pvt. Ltd. 3. Lykis Limited 4. Regent Realty Pvt. Ltd. 5. Dharam Nagar Tea Estate Private Limited 6. Jin-X Marketing Private Limited 7. LykisPharma Private Limited
Independent & Non Executive Director					
Adv. Hakubhai J Lalakiya	Director	58	B.Com. L.L.M.	Practicing as advocate for more than 26 years	Nil
CA S T Shah	Director	76	B.Com. FCA ACS	Financial Consulting, HR Consulting, General Insurance Consulting & Performance Improvement	1. Vanguard Finance Pvt Ltd
CA Hemantkumar J Bhatt	Director	58	FCA, DISA	Auditing, Project Consulting, Fund Syndication, Merchant Banking Activities, Financial Consulting, Risk Management, Corporate Governance, Training, Six Sigma, IFRS, XBRL, SOX	Nil
Hasmukh H Adhvaryoo	Director	73	B.A. B.Com.	Human Resource Management and Administration	Nil

Details of Directorship / Committee Membership or Chairmanship as at March 31, 2013

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.)
J J Chandra	Chairman & Managing Director	8,05,303	Nil	Nil	Nil
Mahendra J Patel	Whole time Director	1,38,924	Nil	Nil	Nil
Niraj J Chandra	Whole time Director	1,42,339	Nil	Nil	Nil
Vijay K Kedia	Director	10,83,998	Lykis Limited	Remuneration Committee of Lykis Limited	Nil
Adv. Hakubhai J Lalakiya	Director	Nil	Nil	Nil	Nil
CA S T Shah	Director	Nil	Nil	Nil	Nil
CA Hemantkumar J Bhatt	Director	Nil	Nil	Nil	Nil
Hasmukh H Adhvaryoo	Director	Nil	Nil	Nil	Nil

Responsibilities of Independent Chairman, the Executive Co-Chairman and the CEO and Managing Director

The responsibilities and authorities of these officials are as follows:

Managing Director

The Managing Director is responsible for corporate strategy, brand equity, planning, external contracts and all management matters. He is also responsible for achieving the annual business targets and acquisitions.

Definition of Independent Directors

According to Clause 49 of the Listing Agreement with Indian stock exchanges, an independent director means a person who is not an officer or employee of the Company or its subsidiaries or any other individual having a material pecuniary relationship or transactions with the Company which, in the option of our Board of Directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of the directors

Board Membership Criteria

Board members are expected to possess the expertise skills and experience required to manage and guide a high-growth, high-tech automobile company. Expertise in strategy, technology, finance, quality and human resources is essential. Most of the members are between the age group of 40 to 80 years. Board members are expected to rigorously prepare for, attend and participate in all Board and applicable committee meetings. Each member is expected to ensure that personal commitments, current as well as future, do not materially interfere with their responsibilities towards the Company.

Selection of New Directors

The Board is responsible for the selection of new directors. The Board delegates the screening and selection process involved in selecting new directors to the committee, which consist exclusively of independent directors. The committee in turn makes recommendations to the Board on the induction of any new directors.

Membership Term

The Board constantly evaluates the contribution of the members and periodically shares update with the shareholders about re-appointments as per statute. The current law in India mandates the retirement of one third of the Board members (who are liable to retire by rotation) every year, and qualifies the retiring members for re-appointment. Executive directors are appointed by the shareholders for the tenure of the maximum period of three years, but are eligible for re-appointment upon completion of their term.

Board Compensation Policy

The remuneration committee determines and recommends to the Board the compensation payable to the director. All Board-level compensation is approved by the shareholders and separately disclosed in the financial statements. Remuneration of the executive directors consists of a fixed component. The remuneration committee makes a quarterly appraisal of the performance of the executive directors based on a detailed performance related matrix. The annual compensation of the executive directors is approved by the Board of Directors in Board Meeting as well as by the Shareholders at the shareholders' meeting, within the parameters set by the remuneration committee.

Cash compensation Paid to Directors in Fiscal 2013

(Rs. in lacs)

Name of the director	Fixed Salary			
	Basic Salary	Perquisites/ Allowance	Retirement benefits	Total Fixed Salary
J J Chandra	60	-	-	60
Mahendra J Patel	54	-	-	54
Niraj J Chandra	13.27	2.78	-	16.05

No remuneration by way of salary or perquisites or commission paid to any of the Non-Executive Directors during the year 2012-13

Sitting fee paid to the Non-Executive Directors, for 2012-13 are as detailed below:

Name of Non Executive Director	Sitting Fee (Rs.)
CA Rajesh Dhruva	7,000
Suresh Kaneria	7,000
Adv. Hakubhai J Lalakiya	10,000
Ramniklal Kotecha	6,000
CA S T Shah	3,000
Hasmukh H Adhvaryoo	2,000
CA Hemantkumar J Bhatt	2,000
Vijay K Kedia	9,000
Total	46,000

Membership in Other Boards

Executive directors may, with the prior consent of the chairperson of the Board of Directors, serve on the boards of corporate or government bodies whose interest are germane to the future of the IT and software business, or the key economic institutions of the nation, or whose primary objective is benefiting society. Independent directors are not expected to serve on the boards of competing Companies. Other than this there are no limitations except those imposed by law and good corporate governance practices. The outside directorships held by each of our directors are listed in the composition of the Board and Directorship table in this section.

B. Board Meetings

Scheduling and Selection of Agenda Items for Board Meetings

Dates for board meeting in the ensuing year are decided in advance. Most Board meetings are held at our registered office. The Chairperson of the Board and the Company Secretary draft the agenda for each meeting along with explanatory notes and distribute these in advance to the directors. 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 occasion of the Annual General Meetings of the shareholders. Additional meetings are held, when necessary. Independent Directors are expected to attend at least four Board meetings in a year. Committees of the Board usually meet on the same day before the formal Board meeting, or whenever the need arises for transacting business. Total 10 Board Meetings were held during the year ended on 31st March, 2013. Attendances of Members of Board of Directors in the said Meetings are as under:

Attendance of Directors in the Board Meeting during fiscal 2012-2013

Name of the Director	No. of Meetings held	No. of Meetings attended
J J Chandra	10	10
Mahendra J Patel	10	10
Niraj J Chandra	10	10
Vijay K Kedia	10	9
CA Rajesh Dhruva**	7	7
Suresh Kaneria**	7	7
Adv. Hakubhai J Lalakiya	10	10
Ramniklal Kotecha*	6	6
CA S T Shah ***	3	3
CA Hemantkumar J Bhatt****	2	2
Hasmukh H Adhvaryoo****	2	2

*Resigned w.e.f. 10th November, 2012

** Resigned w.e.f. 27th December, 2012

***Appointed w.e.f. 10th November, 2012

****Appointed w.e.f. 27th December, 2012

Note: All the directors attended the Annual General Meeting held on 26th June, 2012.

Availability of Information to Board Members

The Board has unfettered and complete access to any information within the Company, and to any of the employees. At Board Meetings, managers who can provide additional insight into the items being discussed are invited. Regular updates provided to the Board include:

- Annual operating plans and budgets, capital budgets and updates
- Quarterly results
- Minutes of the meetings of audit, remuneration and shareholders grievance committees as well as abstracts of circular resolution passed, if any.
- General notice of interest received from directors
- Dividend data
- Information on recruitment and remuneration of senior officers just below the Board level.
- Materially important litigations, show cause, demand, prosecution and penalty notices
- Fatal or serious accidents, dangerous occurrences, and issues related to material effluents or pollution
- Any materially relevant defaults in financial obligations to and by us
- Any issue that involves possible public or product liability claims of substantial nature
- Any significant development involving human resources management
- Sale of investments and assets of material nature, which are not in normal course of business
- Details of foreign exposure and the step taken by the Management to limit risks of adverse exchange rate movement
- Non-compliance with any regulatory, statutory or listing requirements as well as shareholders grievances such as non-receipt of dividend warrants and delays in share transfer etc.

Discussion with Independent Directors

The Board's policy is to regularly have separate meetings with independent directors to update them on all business-related issues and new initiatives. In such meetings, the executive directors and other members of the senior management make presentations on relevant issues.

In addition, our independent directors meet periodically in an executive session that is without any of the executive directors, or the Management.

Materially Significant Related Party Transactions

There have been no materially significant related party transactions, monetary transactions or relationship between the Company and directors, the Management, their relatives, except for those disclosed in the financial statements for the year ended March 31, 2013.

C. Board Committees

Currently, the Board has three committees namely audit committee, remuneration committee, shareholders' grievance committee. All committees consist entirely of independent directors.

The Chairperson of the Board in consultation with Company Secretary and the committee chairperson determine the frequency and duration of the committee meetings. Recommendations of the committees are submitted to the entire Board for consideration and approval.

The quorum for meetings is either two members or one-third of the members of the committee, whichever is higher.

1. Audit Committee

Our audit committee ('the committee') comprises three independent directors:

We are listed on the BSE Limited and have applied for listing on National Stock Exchanges of India Limited. Clause 49 of listing Agreement makes it mandatory for listed companies to adopt an appropriate audit committee charter. Our committee adopted a charter, which meets the requirements of clause 49 of the listing Agreements.

The primary objective of the committee is to monitor and provide effective supervision of the management's financial reporting process to ensure accurate and timely disclosures, with the highest level of transparency, integrity and

quality of financial reporting. The committee oversees the work carried out in the financial reporting process by the management, the internal Auditors and the independent Auditors, and notes the processes and the safeguard employed by each. The committee has the ultimate authority and responsibility to select, evaluate and, where appropriate replace the independent Auditors in accordance with the law. All possible measures must be taken by the committee to ensure the independence and objectivity of the independent Auditors.

The Committee presently consisting of three Independent and Non-Executive Directors, CA S T Shah, CA Hemantkumar J Bhatt and Adv. Hakubhai J Lalakiya. CA S T Shah and CA Hemantkumar J Bhatt are Chartered Accountants by qualification and having vast experience in field of finance, taxation, management consultancy, and audit. Adv. Hakubhai J Lalakiya is a lawyer having wide experience. The Audit Committee was reconstituted w.e.f. 27th December, 2012 consequent to resignation of CA Rajesh Dhruva & Suresh Kaneria w.e.f. that date. CA S T Shah and CA Hemantkumar J Bhatt had been made members of the Committee and the former had been acting as the Chairman of the Committee

CS Purvi P Mehta, Company Secretary & Compliance Officer of the Company, is acting as Secretary to the Committee.

Audit Committee Attendance during Fiscal 2013

Five meetings of audit committee were held during the year on the year on 31st March, 2013 on May 12, 2012, July 30, 2012, November 10, 2012, December 27, 2012 and February 04, 2013.

Name of Committee Member	No. of Meetings held	No. of Meetings attended
CA Rajesh Dhruva*	3	3
CA S T Shah **	2	2
Suresh Kaneria *	3	3
Adv. Hakubhai J Lalakiya	5	5
CA Hemantkumar J Bhatt***	2	2

Note * Resigned from the committee consequent to his resignation from the Board w.e.f. 27th December, 2012

** Admitted to the committee consequent to his appointment on the Board w.e.f 10th November, 2012

*** Admitted to the committee consequent to his appointment on the Board w.e.f 27th December, 2012

Audit Committee Report for the year ended March 31, 2013

Each member of the committee is an independent director, according to the definition laid down in the audit committee charter, and Clause 49 of the Listing Agreement.

The management is responsible for company's internal control and the financial reporting process. The independent Auditors are responsible for performing an independent audit of the Company's financial statements in accordance with generally accepted auditing standards and for issue a report thereon. The committee's responsibility is to monitor these processes. The committee is also responsible for overseeing the process related to the financial reporting and information dissemination. This is to ensure that the financial statements are true, fair, sufficient and credible. In addition, the committee recommends to the Board the appointment of the Company's internal and independent Auditors.

In this context, the committee discussed with the company's auditor, the overall scope and plans for the independent audit. The Management representation to the committee that the company's financial statements were prepared in accordance with the generally Accepted Accounting principle (GAAP). The committee discussed with the Auditors, in the absence of the Management (whenever necessary), the Company's audited financial statements including the Auditors' judgments about and the clarity of disclosures in the financial statements.

Relying on the review and discussion with the Management and the independent Auditors, the audit committee believes that the company's financial statements are fairly presented in conformity with GAAP.

The committee has also reviewed the internal controls put to ensure that the accounts of the company are properly maintained and that the accounting transactions are in accordance with prevailing Laws and regulations. In conducting such review, the committee found no material discrepancy or weakness in the internal control systems of the company.

The committee also reviewed the financial policies of the company and expressed its satisfaction with the same.

The company Auditors provided to the committee the written disclosures required by the Standard on Auditing (SA) -260 issued by the Institute of Chartered Accountants of India (ICAI) based on which the committee discussed the Auditors. After review, the committee expressed its satisfaction on the independence of the internal and the statutory Auditors.

Based on the committee discussion with the Management and the Auditors and the committee review of the representation of the Management and the report of the auditor to the committee, the committee has recommended to the directors that the audited financial statements of Atul Auto Limited for the year ended on March 31, 2013 prepared as per Indian GAAP, be accepted by the Board as a true and fair statements of the financial status of the company.

The committee has also recommended to the Board the re-appointment of Maharishi & Co., Chartered Accountants, as the statutory Auditors of the company for the fiscal year ending on March 31, 2014, and that the necessary resolution for appointing them as auditor be placed before the shareholder.

In conclusion, the committee is sufficiently satisfied that it has complied with its responsibilities as outlined in the audit committee charter.

2. Remuneration Committee

The Committee presently consisting of three Independent and Non-Executive Directors: CA S T Shah, Hasmukh H Adhvaryoo and Adv. Hakubhai J Lalakiya. CA S T Shah is a Chartered Accountant by qualification and having vast experience in field of finance, taxation, management consultancy, and audit. Hasmukh H Adhvaryoo is an expert in field of Human Resources Management. Adv. Hakubhai J Lalakiya is a learned advocate having wide experience of law. The Remuneration Committee was reconstituted w.e.f. 27th December, 2012 consequent to resignation of CA Rajesh Dhruva & Suresh Kaneria w.e.f. that date. Hasmukh H Adhvaryoo and CA S T Shah had been made members of the Committee and the former had been acting as the Chairman of the Committee.

The purpose of the committee of the Board of director ('the Board') shall be to discharge the Board's responsibilities relating to compensation of the company executive directors and member of the Executive council. The committee has the overall responsibility of approving and evaluating the compensation plan, policies and programs for executive directors and for the member of the executive council.

The committee shall annually review and approve for the Managing Director, the executive director and executive council (a) the annual base salary; (b) the annual incentive bonus, including the specific goals and amount; (c) equity compensation; (d) employment agreement, severance arrangements, and change in control agreements / provision and (e) any other benefits, compensation or arrangements.

The committee in consultation with the Managing Director, shall review the performance of the executive director each quarter or at such interval as may be necessary, on the basis of the detailed performance parameters set for each of the executive director at the beginning of the year. The remuneration committee may, from time-to-time, also evaluate the usefulness of such performance parameters, and make necessary amendments.

Remuneration Committee Attendance during Fiscal 2013

Five Meetings of Remuneration Committee were held during the year ended on 31ST March, 2013 on May 12, 2012, July 30, 2012, November 10, 2012, December 27, 2012 and February 4, 2013.

Name of Committee Member	No. of Meetings held	No. of Meetings attended
Suresh Kaneria *	3	3
CA Rajesh Dhruva*	3	3
Adv. Hakubhai J Lalakiya	5	5
CA S T Shah **	2	2
Hasmukh H Adhvaryoo***	2	2

Note * Resigned from the committee consequent to his resignation from the Board w.e.f. 27th December, 2012

** Admitted to the committee consequent to his appointment on the Board w.e.f. 10th November, 2012

*** Admitted to the committee consequent to his appointment on the Board w.e.f. 27th December, 2012

Remuneration Committee Report for the year ended March 31, 2013

The committee reviewed the performance of all whole-time director and the member of executive council based on a detailed performance parameters set for each whole-time director and approved the payment of various compensation to each of them. Further the committee evaluated the usefulness of the performance parameters and suggested necessary change to the same.

The committee believes that the compensation and benefits are adequate to motivate and retain the senior officers of the company. Apart from the said disclosures, none of the director had a material beneficial interest in any contract of significance to which the company or any of its subsidiaries were a party, during the financial year.

3. Shareholders' Grievance Committee

The Committee presently consisting of three Independent and Non-Executive Directors, CA S T Shah, CA Hemantkumar J Bhatt and Hasmukh H Adhvaryoo. CA S T Shah and CA Hemantkumar J Bhatt are Chartered Accountants by qualification and having vast experience in field of finance, taxation, management consultancy, and audit. Hasmukh H Adhvaryoo is an expert in field of Human Resources Management. The Shareholders' Grievances Committee was reconstituted w.e.f. 27th December, 2012 consequent to resignation of CA Rajesh Dhruva & Suresh Kaneria w.e.f. that date. CA Hemantkumar J Bhatt, CA S T Shah and Hasmukh H Adhvaryoo had been made members of the Committee, and CA Hemantkumar J Bhatt had been acting as the Chairman of the Committee.

Shareholders Grievance Committee Attendance during Fiscal 2013

Four Meetings of Shareholders' Grievance Committee were held during the year on 31st March, 2013 on May 12, 2012, July 30, 2012, November 9, 2012 & December 27, 2012

Name of Committee Member	No. of Meetings held	No. of Meetings attended
Suresh Kaneria *	3	3
CA Rajesh Dhruva*	3	3
Adv. Hakubhai J Lalakiya	3	3
CA Hemantkumar J Bhatt **	1	1
CA S T Shah ***	1	1
Hasmukh H Adhvaryoo**	1	1

Note * Resigned from the committee consequent to his resignation from the Board w.e.f. 27th December, 2012

** Admitted to the committee consequent to his appointment on the Board w.e.f. 27th December, 2012

*** Admitted to the committee consequent to his appointment on the Board w.e.f. 10th November, 2012

Shareholders Grievance Committee Report for the year ended March 31, 2013

The Committee expresses satisfaction with the Company's performance in dealing with investor grievances and its share transfer system. The committee has the mandate to review and redress shareholder grievance

The details of complaints resolved during the financial year ended March 31, 2013 are as follows:

Received	Resolved	Closing
14	14	-

Dematerialization of Securities

As on 31st March, 2013, 1,03,85,248 shares (out of total 1,09,71,600 equity shares) are dematerialized. Members who have still not dematerialized their shares, are requested to dematerialize the same to avail benefit of paperless trading of securities. Further, 100 % shares of promoters are dematerialized as on 31st March, 2013.

D. Management Review and Responsibility

Formal Evaluation of Officers

The remuneration committee of the board approves the compensation and benefits for all Executive Board Members. Another committee, headed by the Managing Director, reviews, evaluates and decides the annual compensation of our officers from the level of vice president.

Board Interaction with Clients, Employees, Institutional Investors, the Government and Media

The Chairman & Managing Director, Non executive and Non-Independent Director and Vice President-Finance interact with investors, the media and various Government authorities.

Risk Management

We have an integrated approach to management risks inherent in various aspects of our business.

Management's Discussion and Analysis

A detailed report on the management's discussion and analysis is provided in the management's discussion and analysis section of the Annual report.

E. Shareholders

Disclosures Regarding the Appointment or Re-appointment of Directors

CA S T Shah has been appointed as an additional director w.e.f. 10th November, 2012. CA Hemantkumar J Bhatt and Hasmukh H Adhvaryoo have been appointed as Additional Directors w.e.f. 27th December, 2012. CA S T Shah, CA Hemantkumar J Bhatt and Hasmukh H Adhvaryoo are Independent and Non-Executive Directors of the Company. Further, Ramniklal Kotecha had been resigned w.e.f. 10th November, 2012. Suresh Kaneria and CA Rajesh Dhruva had been resigned w.e.f. 27th December, 2012.

Mahendra J Patel and Niraj J Chandra are Directors liable to retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for reappointment.

Further, the Board had reappointed J J Chandra, as Chairman & Managing Director and Mahendra J Patel as wholetime Director for three years w.e.f. 1st April, 2013 and also reviewed /revised remuneration of J J Chandra, Mahendra J Patel and Niraj J Chandra w.e.f. 1st June, 2013.

Communication to the Shareholders

The report contains select financial data extracted from the audited financial statements under Indian GAAP. The quarterly report along with additional information is also posted on our website. Moreover, the quarterly/ annual results and official news releases are generally published in the news papers. Quarterly and annual financial statements are also posted in our website.

Investor Grievances

We have a Board-Level shareholders grievance committee to examine and redress shareholders and investors complaints. The status on complaints and share transferred are reported to the entire board in each meeting. The details of share transferred and the nature of complaints are provided in shareholders information section of the Annual Report. For shares transferred in physical form, the adequate notice to the seller is provided before registering the transfer of the shares. For matters regarding shares transfer in physical form, issue of duplicate share certificates, change of address, shareholders should communicate with Sharex Dynamic (India) Pvt. Ltd., our registrar and share transfer agent (RTA) the address of which is published in shareholder information section of Annual Report.

Share transactions in the electronic form can be effected in a much simpler and faster manner. After confirmation of sale/purchase transactions from the broker, shareholder should approach depository participant with a request to debit or credit the account for the transaction. The depository participant will arrange to complete the transactions by updating the account. There is no need for separate communication to the company to register the share transfer.

General Body Meetings

The details of last three Annual General Meetings are as follows:

Financial year ended	Date & Time	Venue	Special Resolution Passed
March 31, 2010	July 28, 2010 at 4.00 p.m.	Plot No. 1 to 4, Survey no. 86, National Highway 8-B, Near Microwave Tower, Shapar, Gujarat, India	<ul style="list-style-type: none"> Reappointment & revision of remuneration of J J Chandra as a Chairman & Managing Director w.e.f. 1st April, 2010. Revision of remuneration and redesignation of Mahendra J Patel as Whole time Director Reappointment of Mittal Sunil Kumar as the Whole time Director
March 31, 2011	July 30, 2011 at 4.00 p.m.		<ul style="list-style-type: none"> Reappointment of Mittal Sunil Kumar as a Whole time Director w.e.f. 1st April, 2011.
March 31, 2012	June 26, 2012 at 10.00 a.m.		<ul style="list-style-type: none"> Appointment of Niraj J Chandra as a Whole time director and fixed remuneration w.e.f. 1st March, 2012 Revision of directors Remuneration of Chandra J J and Mahendra J Patel Increase the authorized capital of the company from 8 crores to 15 crores. Alteration of Capital clause of memorandum of association. Issue of one bonus share for every two equity shares held as on the book closure date.

Compliance with Non-mandatory Requirements of Clause 49 of the Listing Agreement

Auditors' certificate on corporate governance

Clause 49 of the listing agreement ('the clause') mandates us to obtain a certificate from either the Auditors or practising company secretaries regarding compliance of conditions of corporate governance as stipulated in the clause and annex the certificate with the Directors' report, which is sent annually to all our shareholders. We have obtained a certificate to this effect from the Auditors of the Company and same is given as an Annexure to this report on Corporate Governance.

The clause 49 states that the non-mandatory requirements may be implemented as per our discretion. However, the disclosures of compliance with mandatory requirements and adoption (and compliance) / non-adoption of non-mandatory requirements shall be made in this section of the Annual Report.

Managing Director's certification

As required by clause 49 of the listing agreement, the Managing Director's certificate is given as an Annexure to this report on Corporate Governance.

Code of Conduct

In compliance with clause 49 of the Listing Agreement, the company has adopted a code of conduct and Ethics ('the Code'). This Code is also applicable to the members of the Board.

All the members of the board and senior employees of the company have affirmed compliance to the code as at March 31, 2013. A declaration to this effect, signed by managing director and the same is provided in the Managing Directors' certification, annexed to this report on Corporate Governance.

Details of Non-compliance

There has been no instance of non compliance with any legal requirements nor have there been any condition imposed by any stock exchange, SEBI, on any matters relating to the capital market over the last Four years.

Company complies with the following non-mandatory requirements:

Remuneration Committee

We have constituted Remuneration committee. A detailed note on compensation / remuneration committee is provided under remuneration committee in this section.

Shareholder's Rights

The Clause states that a half-yearly declaration of financial performance, including summary of the significant events in the last six months, may be sent to each shareholder.

We communicate with investors regularly through email, telephone and face-to-face meetings either in investor conferences or Company visits we also leverage the internet in communicating with our investor base. We announce quarterly financial results within six weeks of the close of a quarter. The announcement of quarterly result is followed by media briefing in television channels, press conference and conference calls.

Whistleblower Policy

We have established a mechanism for our employees to report concerns about un-ethical behavior, actual or suspected fraud, or violation of our Code of Conduct and 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. Auditors' Certificate on Corporate Governance

To,
The Members
Atul Auto Limited

We have examined the compliance of conditions of Corporate Governance by Atul Auto limited ('the Company), for the year ended on 31st March, 2013, as stipulated in clause 49 of the Listing Agreement of the company with the stock exchange.

The compliance of condition of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best our information and according to the explanation given to us and based on the representation made by the directors and management, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the above mention Listing Agreement.

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

For Maharishi & Co.
Chartered Accountants
Firm's registration No.124872W

Prashant Maharishi
Partner
Membership No. 41452

On 18th May, 2013 at Shapar (Dist. Rajkot)

Managing Director's Certification

To
The Board of Directors
Atul Auto Limited

I, J J Chandra, Chairman and Managing Director of Atul Auto Limited, to the best of my knowledge and belief, certify that:

1. I have reviewed the Balance sheet and Profit and Loss account, including all the schedules and notes on accounts, as well as the Cash Flow statements, and the directors' report.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statement were made, not misleading with respect to the statements made.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects a true and fair view of the company's affairs, the financial condition, results of operation and cash flows of the company as of, and for, the period presented in this report, and are in compliance with the existing accounting standard and / or applicable laws and regulation.
4. To the best of my knowledge and belief there are no material transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's Code of Conduct and Ethics.
5. I am responsible for establishment and maintaining disclosure controls and procedures and internal controls over financial reporting for the Company, and I have:
 - a. Designed such disclosure control over and procedures to ensure that material information relating to the company, including its consolidated subsidiaries, is made know to us by other within those entities, particularly during the period in which this report is being prepared.
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Generally Accepted Accounting Principles (GAAP).
 - c. Evaluated the effectiveness of the Company's disclosure, controls and procedures.
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal year that has materially affected, or is reasonable likely to materially affect, the Company's internal control over financial reporting.
6. I have disclosed, based on our most recent evaluation, wherever applicable, to the Company's auditors and the audit committee of the Company's Board of Directors (and person performing the equivalent functions):
 - a. There were no deficiencies in the design or operation of internal controls, that could adversely affect the Company's ability to record, process, summarize and report financial data, and there have been no material weaknesses in internal controls over financial reporting including any corrective actions with regards to deficiencies.
 - b. There were no significant changes in internal controls during the year covered by this report.
 - c. All significant changes in accounting policies during the year, if any, and that the same have been disclosed in the notes to the financial statements.
 - d. There were no instances of fraud of which we are aware, that involve the Management or other employees who have a significant role in the Company's internal control system.
7. In the event of any materially significant misstatements or omission, I will return to the Company that part of any bonus or incentive or equity-based compensation, which was inflated on account of such errors.
8. I affirm that I have not denied any personnel, access to the audit committee of the Company (in respect of matter involving alleged misconduct) and we have provided protection to whistleblowers from unfair termination and other unfair or prejudicial employment practices.
9. I further declare that all Board member and senior managerial personnel have affirmed compliance with the Code of Conduct and Ethics for the current year.

J J Chandra

Chairman & Managing Director

On 18th May, 2013 at Shapar (Dist. Rajkot)