

CELEBRATING
25
Years



ATUL

Building
Trust with
Consistency

25th Annual Report

2012-13



Novel
Identity
to face
New **Challenges**

When we start something new, something auspicious or when we are in a trouble, we remember God.

Our Logo gives the same message to remember God each day, because he is who made us what we are, though invisible, he gives us strength to face the challenges, we are born and we live because of our God.

We always associate the letter 'A' of Atul with praying hands, Geometrical shapes form shape of two hands closed to each other providing meaning of brand with Trust, Hope and Promise.

When you say '**ATUL**', what it implies is incomparable & un-measurable. Such is our energy, such is our technology. We have always strived to be the best.

Colors are important part of everyone's life. We associate Atul with over-well ming blue and stimulant red. Blue stands for color of sky and ocean, wide and unlimited. They are constant in our life and so is the progress of our company. While the red color shows the power of energy.



ATUL



ATUL
AUTO LTD.



CELEBRATING
25
Years

Contents

From CMD's Desk	01
Company Information	02
Product Range	03
Management Team	04
Company Overview	07
Financial Performance	08
Our Presence	10
Notice of Annual General Meeting	11
Directors' Report	17
Management Discussion & Analysis	22
Report on Corporate Governance	31
Shareholders' Reference	43
Independent Auditor's Report	47
Financial Statements	52
Significant Accounting Policies and Notes on Financial Statements	55



J J Chandra
Chairman
& Managing Director



From the CMD's Desk

Dear stake holders,

We are pleased to inform you that we have ended fiscal 2013 with a growth of 22% in turnover values and 19% in vehicle sales. Our revenues for the financial year 2013 stood at Rs.362.86 Crores, a year on year growth of 22%. The profit after tax was Rs. 25.92 Crores, a year on year growth of 66 %. We are pleased to recommend a final dividend of Rs. 6/- per share for fiscal 2013.

The FY 2013 was another crucial and important year for us where in spite of negative growth experienced by the industry, Atul continued the momentum of handsome positive growth. During this journey we have, as an organisation, achieved a lot which we had never imagined were possible. However, this journey has not been easy and we have come across many hindrances along the way. Time and again, our elasticity has been put to the test. We had to overcome challenges that could have changed the fortune of our organisation.

To board on a journey of success one needs the tools of awareness, prudence and approach. These lead to the path of growth and high quality operation. It is imperative to combine these three forces in an industry, where the business environment is completely dynamic and customer expectations are high. Be it very fast changing trends in technology, industry and business models, or regulatory challenges, we had to steer ourselves clear of wild situations many a time. Economical and suitable transportation is an essential need of mankind today and our vision is to "devote ourselves for the betterment and comfort of the common man through our advanced technologies, product and services in the automotive field".

While realising our responsibility each member of Atul Auto Limited, is attempting to make it one of the most competitive companies in the industry with emphasis on efficiency in operations, reliability for customers and thrust on optimising the available resources and development of new products as well as markets. Along the way, we have created self-employment for the users and improved their livelihoods by providing the best products and services.

Our strength lies in strategically integrating vision with technology, advanced process for manufacturing thru efficient use of resources and aspiration about maintaining high levels of quality in products & post sale services. As our research assets, business infrastructure and human capital integrates to carry a robust performance to provide a drive to the Indian three wheeler auto industry as whole.

Gearing up for the upcoming time, we have the key success elements necessary to withstand the winds of change. The inspiration provided to build a highly skilled and creative research and development team, which is supported by the state-of-the-art infrastructure. Our consistently increasing market presence with a strong product portfolio, which is being marked up with newer brands. Streamlined and efficient manufacturing capabilities, which boosts of technical prowess, high quality production and cost effectiveness. Also a well monitored marketing and distribution network, which is aimed at attaining brand equity among our wide-reaching customer base.

The success and reputation of Atul Auto Limited began as the dream of one man extended to be transformed into the dream of many. We strive to accomplish our dreams and goals to bring greater future.

As we enter another financial year, we look forward to receiving your continued trust and support.

J J Chandra
CMD
Atul Auto Ltd.



Company Information

Board of Directors

Jayantibhai J Chandra	Chairman and Managing Director
Mahendra J Patel	Whole time Director
Niraj J Chandra	Whole time Director
Vijay K Kedia	Non Executive and Non Independent Director
Adv. Hakubhai J Lalakiya	Independent and Non Executive Director
CA Hemantkumar J Bhatt	Independent and Non Executive Director (From 27th December, 2012)
Hasmukh H Adhvaryoo	Independent and Non Executive Director (From 27th December, 2012)
CA S T Shah	Independent and Non Executive Director (From 10th November, 2012)
Suresh Kaneria	Independent and Non Executive director (Up to 27th December, 2012)
CA Rajesh Dhruva	Independent and Non Executive Director (Up to 27th December, 2012)
Ramniklal Kotecha	Independent and Non Executive Director (up to 10th November, 2012)

Board Committees

Audit Committee
CA S T Shah, Chairman
CA Hemantkumar J Bhatt, Member
Adv. Hakubhai J Lalakiya, Member

Shareholders' Grievances Committee
CA Hemantkumar J Bhatt, Chairman
CA S T Shah, Member
Hasmukh H Adhvaryoo, Member

Remuneration Committee
Hasmukh H Adhvaryoo, Chairman
CA S T Shah, Member
Adv. Hakubhai J Lalakiya, Member

Auditors
Maharishi & Co.,
Chartered Accountants

Secretarial Auditors
MJP Associates
Practising Company Secretaries

Cost Auditors
Ashish Bhavsar & Associates
Practising Cost Accountants

Company Secretary and Compliance Officer
CS Purvi P Mehta

Registered Office & Manufacturing Facility

Survey No. 86, Plot No.1 to 4,
National Highway 8-B,
Near Microwave Tower,
Shapar (Veraval),
Dist. Rajkot - 360024, Gujarat, India
Phone: 02827-666000
E-Mail: investorrelations@atulauto.co.in / info@atulauto.co.in
Website: www.atulauto.co.in

Registrars & Share Transfer Agents

Sharex (Dynamic) India Pvt. Ltd.
Unit No. 1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai - 400 072
Phone: 022-2851 5606, 2851 5644
E-Mail: info@sharexindia.com/sharexindia@vsnl.com
Website: www.sharexindia.com

Bankers of the Company

IDBI Bank Ltd.

Stock Exchange

BSE Limited
Script Code - 531795



Product Range



ATUL
Shakti
3-WHEELERS

ATUL //
smart



ATUL //
GEM

ATUL //
Gemini-Dz



Management Team



J J Chandra
Chairman &
Managing Director

M J Patel
Whole time Director

V K Kedia
Director

N J Chandra
Whole time Director

INDIVIDUALLY we are one **DROP,**



Adv. H J Lalakiya
Director

H H Adhvaryoo
Director

CA H J Bhatt
Director

CA S T Shah
Director



P Zachariah
Vice President
Sales & Marketing

A Padmanabhan
Mentor

J V Adhia
Vice President
Accounts & Finance

but **TOGETHER** we are an **OCEAN.**



Niraj Chandra
Whole time Director

Company Overview

For more than two decades, Atul Auto Ltd. is renowned leading manufacturer of 3-wheeler commercial vehicles in the state of Gujarat. From common men's favourite vehicle CHHAKADA to today's ATUL Shakti, ATUL GEM, ATUL Smart and now Atul Gemini-Dz, Atul Auto Ltd. has come a long way.

The Company was originally incorporated as a Private Limited Company on 18th June 1986 under the Companies Act, 1956, in the State of Maharashtra. Subsequently the Registered Office was shifted to Jamnagar(Gujarat) & then to Rajkot(Gujarat) on 24/1/92 & 20/4/94 respectively.

The Company manufactures 3-wheelers in the sub 1 tonne category targeting the passenger and cargo segment. In passenger segment, the Company manufactures the Diesel & CNG powered carrier for carrying 3 to 6 passengers. In the cargo segment, the Company manufactures vehicles with a rated carrying capacity of 0.50 tonne. Both these vehicles have been approved by the Automotive Research Association of India under the Bharat Stage-III.

The Company has its existing plant at Survey No.86, Plot Nos. 1 to 4, Shapar Industrial Zone, N.H. 8-B, at Village Shapar, at a distance of 18 kms from Rajkot. The plant commenced its commercial production from July 1992 and the present installed capacity is 48000 vehicles (from April 2013) per annum.

The company has improved its market position in the domestic 3-wheeler industry with incremental market share in the goods as well as passenger carrier in 0.5 Tonne segment (third large player in 0.5 T three wheeler industries). This has happened with established distribution network, increase in capacity and launch of new products. The company has 150 exclusive dealers, more than 100 sub-dealers, 14 regional offices and 3 training centres in 16 states of India.

Financial Performance

Financial Highlights

(Rs. In lacs)

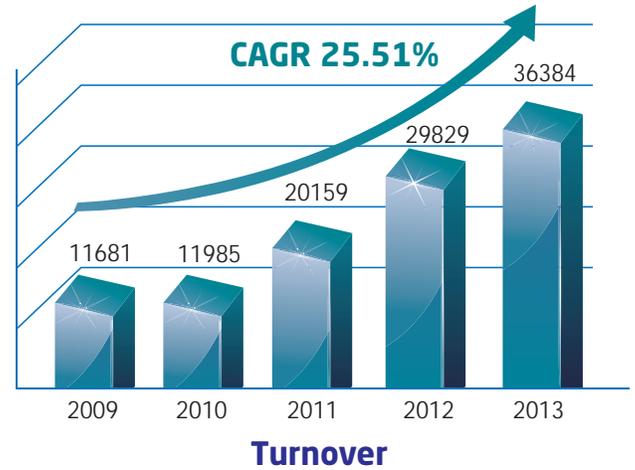
Particulars	12-13	11-12	10-11	09-10	08-09
Revenue from operation	36,286	29,798	20,159	11,985	11,682
Total Income	198	59	108	123	413
Earnings before Depreciation, Finance cost and Tax Expenses (EBDIT)	4,206	2,814	1,542	1,159	550
Depreciation and Amortisation	444	426	425	389	246
Exceptional Items	-	-13	-	-	-23
Profit for the year	2,592	1,559	943	454	46
Equity Dividend %	60%	50%	40%	20%	5%
Dividend payout	770	425	272	137	34
Equity Share Capital	1,097	731	608	608	608
Reserve and surplus	6,310	4,854	3,427	2,756	2,439
Net worth	7,407	5,585	4,035	3,364	3,047
Gross Fixed Asset	6,863	6,113	6,311	5,823	4,264
Net Fixed Assets	4,807	4,154	4,265	4,282	3,008
Market Capitalization	16,238	8,393	6,788	2,619	1,284
Key Indicators					
Earnings Per Share*	23.62	16.51	10.74	5.17	0.53
Turnover Per Share	330.73	271.59	221.04	131.41	128.09
Book Value Per Share	67.51	50.91	44.24	36.89	33.41
EBDIT/Gross Turnover %	11.59%	9.44%	7.65%	9.67%	4.71%
Net Profit Margin %	7.14%	5.23%	4.68%	3.79%	0.39%
RONW %	34.99%	27.91%	23.37%	13.50%	1.51%

The Year at a Glance

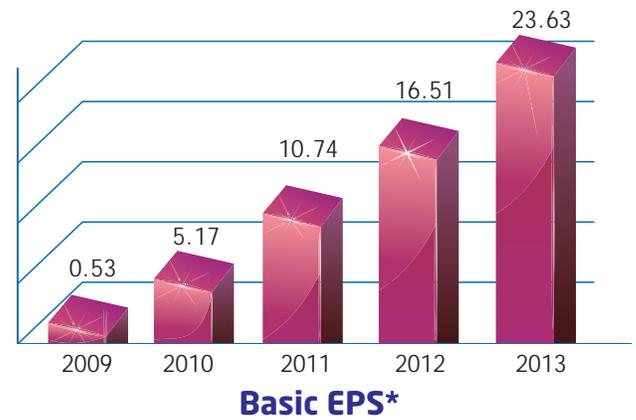
Financial Performance	2012-13	2011-12	Growth (%)
Income	36,582	29,942	22.2
Gross Profit	6,363	4,662	36.5
Operating Profit (PBIDTA)	4,206	2,814	49.5
Profit after Tax	2,592	1,559	66.3
EPS(par value of 10/- each : Basic & Diluted after bonus)	23.62	16.51	43.04
Dividend Per Share	6	5	20.0
Financial Position			
Capital Expenditure	960	847	13.3
Fixed Assets (Including Capital WIP)	4,807	4,154	15.7
Cash and Cash Equivalents	3,807	1,137	234.8
Net Current Assets	2,842	1,549	83.5
Total Assets	12,295	9,663	27.2
Debt	-	389	(100)
Net Worth	7,430	5,609	32.5
Market Capitalization	16,238	8,393	93.5

(In lacs, except per share data)

* After giving effect of Bonus shares issued in the year 12-13 in the ratio of 1 : 2



**66% in
FY
2012-13**



**12.65
Times**



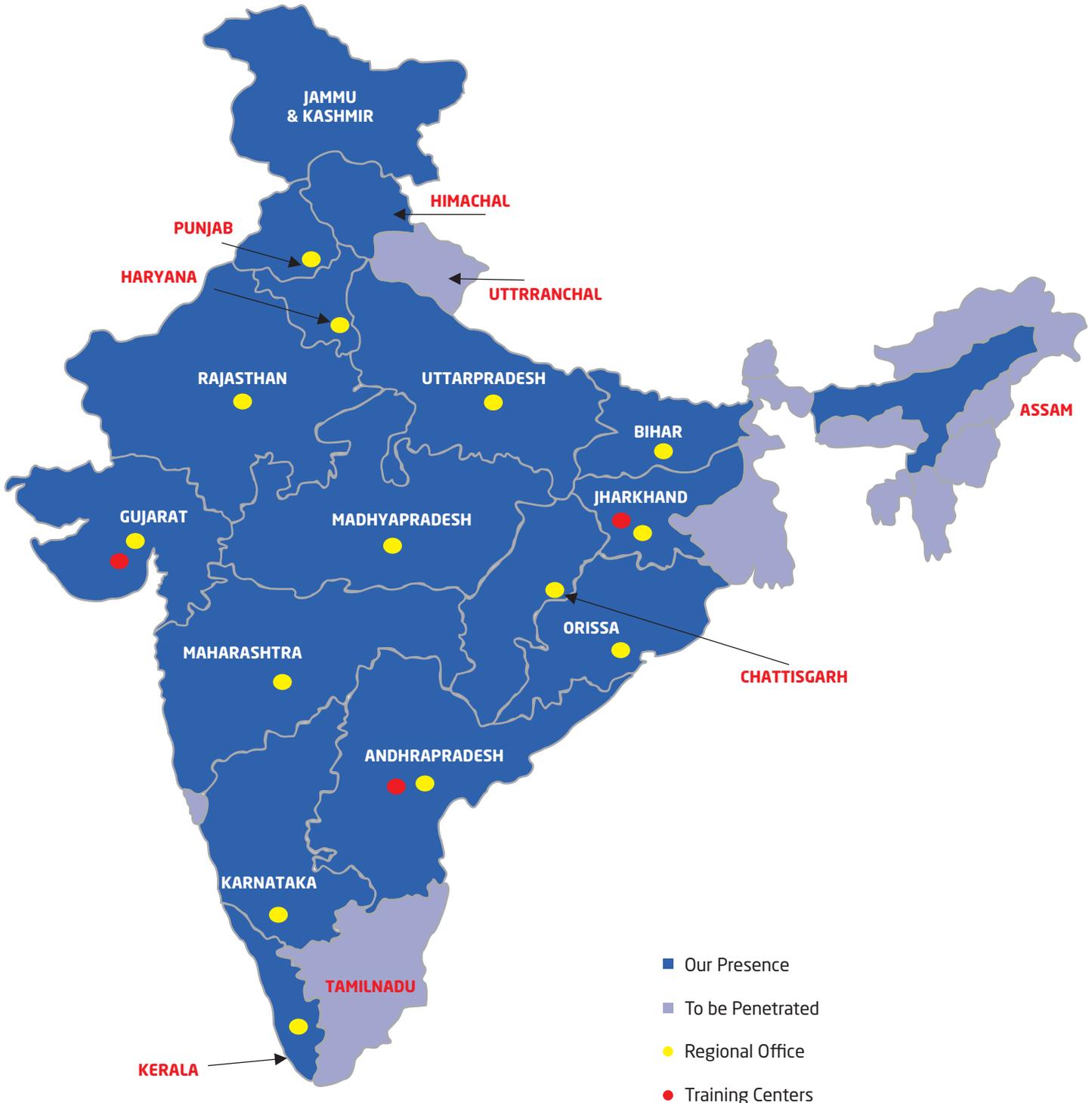
The real **GEM** of Prosperity

ATUL /
GEM

Our Presence



More Space, More Mileage,
More Power, More Profit



Notice of Annual General Meeting

Notice is hereby given that the TWENTY FIFTH ANNUAL GENERAL MEETING OF ATUL AUTO LIMITED will be held at Survey No. 86, Plot No. 1 to 4, National Highway 8-B, Near Microwave Tower, Village Shapar (Veraval), Kotda Sangani, Dist. Rajkot - 360 024, Gujarat on Tuesday, 16th July, 2013 at 11.00 A. M. to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2013, Statement of Profit & Loss for the year ended on that date together with Report of Directors and Auditors' thereon.
2. To confirm the final dividend of Rs. 6 per equity share for the year ended 31st March, 2013.
3. To appoint director in place of Shri Mahendra J Patel, who is liable to retire by rotation and being eligible, offers himself for reappointment.
4. To appoint director in place of Shri Niraj J Chandra, who is liable to retire by rotation and being eligible, offers himself for reappointment.
5. To Appoint M/s. Maharishi & Co, Chartered Accountants as statutory auditors of the Company and fix their remuneration.

"RESOLVED THAT M/s. Maharishi & Co, Chartered Accountants (ICAI Registration No. 124872W), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors."

Special Business:

6. To pass, with or without modification, the following Resolution as an Ordinary resolution:

"RESOLVED THAT in accordance with provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, CA S T Shah, who was appointed as an additional director by the Board, and is eligible for appointment as director and in respect of whom notice under Section 257 of the Companies Act, 1956 has been received, be and is hereby appointed as Director of the Company and he shall be liable to retire by rotation as per provisions of the Companies Act, 1956 read with Articles of Association of the Company."

"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."
7. To pass, with or without modification, the following Resolution as an Ordinary resolution:

"RESOLVED THAT in accordance with provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, CA Hemantkumar J Bhatt, who was appointed as an additional director by the Board, and is eligible for appointment as director and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as Director of the Company and he shall be liable to retire by rotation as per provisions of the Companies Act, 1956 read with Articles of Association of the Company."

"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."
8. To pass, with or without modification, the following Resolution as an Ordinary resolution:

"RESOLVED THAT in accordance with provisions of Section 257 and other applicable provisions, if any, of the Companies Act, 1956, Hasmukh H Adhvaryoo, who was appointed as an additional director by the Board, and is eligible for appointment as director and in respect of whom notice under Section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as Director of the Company and he shall be liable to retire by rotation as per provisions of the Companies Act, 1956 read with Articles of Association of the Company."

"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."
9. 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 provisions 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, the approval of the Members be and is hereby given for

reappointment of Shri J J Chandra, as the Chairman & Managing Director w.e.f. 1st April, 2013 for the period of Three Years on such terms and conditions mentioned herein under and Shri J J Chandra shall be liable to retire by rotation”

SALARY:

- a) Shri J J Chandra be paid remuneration of Rs.5,00,000/- per month w.e.f. 1st April, 2013 to 31st May, 2013 and Rs.6,50,000/- per month w.e.f 1st June, 2013 for the period of one year 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 Perquisites:
 - (i) The Company shall provide him with a Car together with a driver in accordance with the Company policy.
 - (ii) The Company shall reimburse reasonable medical cost incurred by him, his wife and children either directly or through appropriate insurance.
 - (iii) 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 Shri J J Chandra 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 J J Chandra, 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.”

“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.”

10. 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, the approval of the Members be and is hereby given for reappointment of Shri Mahendra J Patel, as the Whole time Director w.e.f. 1st April, 2013 for the period of Three Years on such terms and conditions mentioned herein under and Shri Mahendra J Patel, shall be liable to retire by rotation”

SALARY:

- a) Shri Mahendra J Patel be paid remuneration of Rs.4,50,000/- per month w.e.f 1st April, 2013 to 31st May, 2013 and Rs. 5,75,000/- per month w.e.f 1st June, 2013 for the period of one year 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 Perquisites:
 - (i) The Company shall provide him with a Car together with a driver in accordance with the Company policy.
 - (ii) The Company shall reimburse reasonable medical cost incurred by him, his wife and children either directly or through appropriate insurance.
 - (iii) 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 subject to provisions of Section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956”

“RESOLVED FURTHER THAT Shri Mahendra J Patel 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 Mahendra J Patel, 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."

11. 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, the approval of the Members be and is hereby given for revision of remuneration of Shri Niraj J Chandra, Whole time Director w.e.f. 1st June, 2013, for the period of One Year on such terms and conditions mentioned herein under:"

SALARY:

- a) Rs. 2,50,000/- 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 Perquisites:
 - (i) A car the Company shall provide him with a Car together with a driver in accordance with the Company policy
 - (ii) The Company shall reimburse reasonable medical cost incurred by him, his wife and children either directly or through appropriate insurance
 - (iii) 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 Shri Niraj J Chandra, shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of Director"

"RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained, where in any financial year during the currency of tenure of Shri Niraj J Chandra, 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."

"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

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

Important Notes:

1. The register of Members and the share transfer books of the company will remain closed from 8th July, 2013 to 15th July, 2013 (inclusive of both days) for the purpose of payment of dividend and Annual General Meeting.
2. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 which set out details relating to special business at the meeting, is annexed hereto.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS/HER BEHALF. SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of proxy in order to be effective should be deposited at the registered office of the Company, duly completed and signed, not later than 48 hours before the commencement of the meeting. A proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc. must be supported by an appropriate resolution/authority, as applicable.

4. Member holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the company for payment of dividend. The company or its Registrar cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such charges are to be advised only to the Depository participant of the member. Members holding shares in physical form and desirous of either registering bank particulars or changing bank particulars already registered against their respective folios for payment of dividend are requested
5. Under section 205 A of the companies Act, 1956, the amount of dividend remaining unpaid or unclaimed for a period of seven years from the due date is required to be transferred to the Investor Education and Protection Fund (IEPF), constituted by the Central Government.

The Ministry of Corporate Affairs (MCA) on 10th May, 2012 notified the IEPF (Uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012 (IEPF Rules). The Objective of the IEPF Rules is to help the shareholders ascertain status of the unclaimed amount and overcome the problem due to misplacement of intimation thereof by post etc. The Company has uploaded the information in respect of the Unclaimed dividend in respect of the financial year 2005-06 to 2010-11 as on date of the 24th Annual General Meeting (AGM) held on 26th June, 2012, on the website of the company viz. www.atulauto.co.in

6. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the company of the change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
8. Details under clause 49 of the Listing Agreement with the stock Exchange in respect of the directors seeking appointment/reappointment at the Annual General Meeting, is separately annexed hereto. The Directors seeking appointment/reappointment have furnished the declaration under the Companies (Disqualification of Directors under section 274(1)(g) of the companies Act, 1956) Rules, 2003
9. The Notice of 25th Annual General Meeting of the Company along with printed attendance slip is being dispatched to all Members. Electronic copy of the Annual Report for 2012-13 is being sent to all the members whose email address is registered with the Company/Depository Participants unless any member has requested for a hard copy of the same. Members who have not yet registered their email address are encouraged to submit their request with their respective depository participant or the Company, as the case may be.

Members may also note that the notice of the 25th Annual General Meeting and the Annual Report for 2012-13 will also be available on the Company's Website: www.atulauto.co.in for their download. The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during business hours. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon receipt of request for the same, by post free of cost.

EXPLANATORY STATEMENT PURSUANT TO PROVISIONS OF SECTION 173 (2) OF THE COMPANIES ACT, 1956

Item No. 6, 7 & 8

The Board of Directors of the Company had appointed CA S T Shah, as an Additional Director of the Company with effect from 10th November, 2012 whereas, Hasmukh H Adhvaryoo and CA Hemantkumar J Bhatt had been appointed as Additional Directors by the Board w.e.f. 27th December, 2012, pursuant to Section 260 of the Act read with Article 135 of the Articles of Association of the Company. CA S T Shah, Hasmukh H Adhvaryoo and CA Hemantkumar J Bhatt are eminent experts of their respective field and all three are Independent Directors of the Company.

Members are aware about the various comprehensive & regulatory reforms taken by the Central Government in FDI, Company Law, Banking Laws and other sectors since last couple of months. Moreover, there are some other reforms lying in the agenda which are to be implemented by the Government in near future. The need of time is that the Board will have to remain rationalized guided by team of experts of various fields and led by profound industrialists. The Company has also applied to the Nation Stock Exchange (NSE) for listing its securities in addition to existing listing at BSE. Hence, it would be advisable to induct experts who can advise the Board in taking various strategic decisions.

CA S T Shah, a Chartered Accountant by qualification and a renowned management consultant, having experience of more than four decades. CA Hemantkumar J Bhatt, is a renowned Corporate Strategist, a Chartered Accountant by qualification and an excellence of Financial Consulting, Fund Syndication, Risk Management, Corporate Governance and Auditing. Whereas Hasmukh H Adhvaryoo is an expert of Human Resource Development, Personnel Management and General Administration having rich knowledge and experience of more than four and half decades in Government, Semi-Government and Private Sectors.

Under Section 260 of the Company Act, CA S T Shah, Hasmukh H Adhvaryoo and CA Hemantkumar J Bhatt cease to hold office at this Annual General Meeting but are eligible for appointment as Director. A separate notice for each of these Directors under Section 257 of Act has been received from a Member signifying his intention to propose their appointment as Directors.

Members are requested to appoint CA S T Shah, Hasmukh H Adhvaryoo and CA Hemantkumar J Bhatt as Directors of the Company.

None of the Directors, except CA S T Shah, Hasmukh H Adhvaryoo and CA Hemantkumar J Bhatt, being proposed appointees, is anyway interested in the Resolution.

Item No. 9

The Board of Directors of the Company had reappointed Shri J J Chandra as Chairman & Managing Director of the Company with effect from 1st April 2013 for the period of three years subject to approval of Members in the Annual General Meeting. Further, the Board had also revised Remuneration of Shri J J Chandra w.e.f. 1st June, 2013, subject to approval of Members. Shri J J Chandra is one of the founder promoters of the Company and is associated with the Company since its inception. Shri J J Chandra has, through his foresight and visionary approach, coupled with sound understanding of the automobile industry, has led the Company to the path of growth.

The remuneration, which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. 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 Shri J J Chandra, as the Chairman & Managing 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 9 of the accompanying notice for approval of the Members of Company, by passing the Resolution as a Special Resolution.

Except Shri J J Chandra, being the proposed beneficiary and Shri Niraj J Chandra, being son of Shri J J Chandra, no other director of the company is concerned and/or interested in this Resolution.

Item No. 10

The Board of Directors of the Company had reappointed Shri Mahendra J Patel, as Whole time Director of the Company, with effect from 1st April 2013, for the period of three years subject to approval of Members in the

Annual General Meeting. Further, the Board had also revised Remuneration of Shri Mahendra J Patel w.e.f. 1st June, 2013, subject to approval of Members. Shri Mahendra J Patel has been associated with the Company since long. Shri Mahendra J Patel is supervising the production facility of the Company and has great management skill. The Company has benefited a lot from the expertise and vision of Shri Mahendra J Patel.

The remuneration which is proposed in the Resolution is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. 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 Shri Mahendra J Patel, as the Whole time 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 10 of the accompanying notice for approval of the Members of Company, by passing the Resolution as a Special Resolution.

Except Shri Mahendra J Patel, being the proposed beneficiary, no other director of the company, is concerned and/or interested in this Resolution.

Item No. 11

The Board of Directors of the Company had revised Remuneration of Shri Niraj J Chandra, Whole time Director, w.e.f. 1st June, 2013, subject to approval of Members. Shri Niraj J Chandra is looking after marketing, production and general administration department of the Company. He has experience on marketing strategies. He has studied in Nirma institute of Technical Studies in mechanical engineering. The remuneration which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. 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 Shri Niraj J Chandra, as the Whole time 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 11 of the accompanying notice for approval of the Members of Company, by passing the Resolution as a Special Resolution.

Except Shri Niraj J Chandra being the proposed beneficiary, and Shri J J Chandra, being father of Shri Niraj J Chandra, no other director of the company, is concerned and/or interested in this Resolution.

By order of the Board of Directors

For Atul Auto Limited

J J Chandra

Chairman & Managing Director

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

Dear Members,

We are delighted to present the report on our business and operations for the year ended on March 31, 2013.

1. Financial Results

(Rs. in lacs)

Particulars	2013	2012
Revenue from Operations	36,384	29,882
Cost of materials consumed	28,315	24,186
Changes in inventories of finished goods work-in-progress	74	-430
Margin	7,994	6,126
Employee benefits expense	2,101	1,660
Other expenses		
- Manufacturing Expense	368	474
- Selling and distribution Expense	1,087	899
- General Admin Expense	430	339
Operating Profit before interest, depreciation, taxes and amortization (PBIDTA)	4,008	2,754
Finance costs	40	76
Depreciation and amortization expense	444	426
Operating Profit Before Tax	3,524	2,252
Other Income	198	59
Net Profit before tax and exceptional item	3,722	2,311
Provision for Taxation	1,130	765
Net Profit after tax and before exceptional item	2,592	1,546
Exceptional Item	0	13
Net Profit after tax and exceptional item	2,592	1,559
Profit and loss account balance brought forward	3,696	2,718
Proposed Dividend	658	366
Tax on Proposed Dividend	112	59
Amount transfer to general reserve	259	156
Balance in Profit and loss account	5,259	3,696
Earnings per equity share		
Basic & Diluted - Before Bonus	35.44	24.77
Basic & Diluted - After Bonus	23.62	16.51

2. Dividend

Based on the company's performance, the directors are pleased to recommend for the approval of the members a final dividend of Rs.6 per share for the financial year 2012-13 (previous year Rs.5 per share) on the capital of 1,09,71,600 equity shares of Rs.10 each. The total cash outflow on account of dividend is Rs.770 lacs, as against Rs.425 lacs in the previous year. The dividend for the year includes Rs.112 lacs Dividend Distribution Tax, as compared to last year of Rs.59 lacs. The company adheres to proclaimed policy of distributing 25% of distributable profits to the shareholders.

3. Transfer to Reserve

The company Proposed to transfer Rs.259 lacs to the general reserve out of the amount available for appropriation and an amount of Rs.5,259 lacs is proposed to be retained in the statement of profit and loss.

4. Business

Company's total income increased to Rs.36,384 lacs from Rs. 29,882 lacs in the previous year, at a growth rate of 21.76% and No. of Vehicles sold during the year increased from 27,000 to 32,040 indicated growth of 18.67%.

Gross profit of vehicle sales amounted to Rs.6,363 lacs (17.49% of the revenue) as against Rs.4,662 lacs (15.60% of revenue) in the last year. The operating Profit Before Interest, Depreciation, Taxes and Amortization (PBIDTA) amounted to Rs.4,008 lacs (11.02% of revenue) as against Rs. 2,754 lacs (9.21% of revenue) in the previous year. Sale and marketing cost were 2.99% and 3.01% of our revenue for the year ended March 31, 2013 and March 31, 2012, respectively. Administration expenses were 1.01% and 1.59% of our revenues during the current year and previous year, respectively and General admin expenses were 1.18% and 1.13% of our revenue for the year ended March 31, 2013 and March 31, 2012. The net profit after tax before exceptional item was Rs. 2,592 lacs (7.12% of revenue) as against Rs. 1,546 lacs (5.17% of revenue) in the previous year.

5. Products

Company manufactures 3 - Wheelers in India in the sub 1 tonne category targeting the passenger segment and cargo segment. In passenger segment, the company manufactures the diesel powered carrier for carrying 3 to 6 passengers and also the CNG, LPG and Petrol driven vehicle. In cargo segment, the company manufactures vehicles with a rated carrying capacity of up to 0.50 tonne. Both these vehicles have been approved by the Automotive Research Association of India. It also provides customized vehicles like tippers, hydraulic hoppers, vegetable vending vans etc. The vehicles find wide application in courier services, industrial products, laundry construction, dairies, caterers, FMCG distribution, LPG distribution etc.

Company produces auto rickshaw under Atul Shakti, Atul Smart, Atul Gem and Atul Gemini-DZ product names.

Products:

The company's existing products are various types of Front Engine & Rear Engine Three wheelers under the brand name "Atul Shakti", "Atul Gem" "Atul Smart" & "Atul Gemini -Dz".

The broad categories of the Products are as follow:

1. Goods Carriers
2. Passengers Carriers
3. Special Purpose Vehicle
 - a) Chicken Carrier
 - b) Tripper
 - c) Water Tank Carrier
 - d) Soft Drink Carrier
 - e) Mobile Shop
 - f) Hopper
 - g) Bio Hazard
 - h) Vegetable vending

Atul Shakti, Atul Gem & Atul Smart (Loading)

It is suitable for transportation of small volumes of cargo from transit station to main offices and vice versa. It has a capacity of 500 kgs and is fitted with 7.5 HP, 4 Stroke air cooled engine. It has distinct advantages over the other pick up vans, which have mostly petrol engines. Other unique features of the vehicle include auto ignition start, fuel efficiency etc. The company has introduced different types of vehicle to cater to the specific demand of the customers like Pack Body Vehicles, Soft Drink Carrier, High Deck, Chicken Carrier, Hydraulic Tipper, Ice - Cream shop, Hopper, Water tank carrier and Open Box type body etc.

Atul Shakti, Atul Gem, Atul Smart & Atul Gemini-Dz (Passenger Rickshaw)

This vehicle has an approved capacity to carry 3 passengers (excluding driver) or in terms of pay load capacity it can carry 500 kgs and in case of Gemini-Dz can carry 253 kgs. The vehicle is fitted with 7.5 HP, 4 strokes air cooled diesel engine having handle bar, auto start and dry clutch facilities.

6. Quality Initiative

To optimize the customer satisfaction, the Company continues to intensify its drive to improve quality and product offering while maintaining its low cost product development/sourcing advantage.

7. Capital Expenditure

The Company incurred a capital expenditure of Rs. 960 lacs(Rs. 847 lacs in the previous year). The entire capital expenditure was funded out of internal accruals.

During the year, the Company capitalized Rs. 760 lacs to gross block of Tangible Fixed Assets comprising Rs.219 lacs for investment in building, Rs.477 lacs on plant & machinery, Rs.11 lacs on furniture & fixtures and Rs.29 lacs on vehicles and Rs.24 lacs in office equipments.

Last year, the Company added Rs.287 lacs to the gross block of Tangible Fixed Assets, including investment in Rs.14 lacs for investment in building, Rs.160 lacs on plant & machinery, Rs.5 lacs on furniture & fixtures and Rs.67 lacs on vehicles and Rs.41 lacs office equipment.

8. Liquidity

The company does not have any long term borrowings and any long term and short term borrowings at the end of the financial year. We clearly understand that the liquidity in the Balance sheet has to balance between earning adequate returns and the need to cover financial and business risk. Liquidity also enables us to make a rapid shift in direction, should the market so demand. During fiscal 2013, internal cash flows have more than adequately covered working capital requirements, capital expenditure and dividend payments. As at March 31, 2013, we had liquid assets of Rs.6,981lacs as against Rs.4,926 lacs at the end of previous year - 2011-12. Out of these liquid assets, we have invested Rs. 3,382 lacs in mutual fund to earn dividend.

9. Increase in Share Capital

During the year under Report, authorized share capital of the Company had been increased from Rs.800 lacs divided into 80 lacs equity shares of Rs. 10/- each to Rs. 1,500 lacs divided into 150 lacs equity shares of Rs. 10/- each. Further, the Company had issued & allotted 36,57,200 equity shares of Rs. 10/- fully paid up as Bonus shares in ratio of one share for every two shares held by the members of the Company on book closure date (i.e 5th July, 2012).

10. Application to the National Stock Exchange Ltd (NSE) for listing of securities of the Company

In month of November, 2012, the Company had made application for listing of its securities in the National Stock Exchange Ltd, Mumbai, and the approval is pending as on 31st March, 2013. This will be an additional listing of securities apart from current listing on the BSE Ltd. On listing at NSE, investors will have one more platform for liquidity of securities of the Company.

11. Corporate Governance

As per clause 49 of the Listing Agreements entered into with the stock exchange, corporate governance Report with Auditors' Certificate thereon and a Management discussion and analysis Report are attached and form part of this Report.

12. 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, 1988, are provided in the Annexure to this Report.

13. Particulars of Employees

In terms of the provisions of the section 217(2A) of the companies Act,1956, read with the companies (Particulars of employees) Rule, 1975 as amended, the names and other particulars of the employees are required to be set out in the Directors Report. Having regard to the provisions of section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the registered office of the Company.

14. Directors' responsibility statement as required under Section 217 (2AA) of the Companies Act, 1956

Pursuant to the requirement of Section 217(2AA) of the Act, and based on the representations received from the operating management, the Directors hereby confirm that:

- (i) In the preparation of the annual accounts for the financial year 2012-13, the applicable accounting standards have been followed and there are no material departures;
- (ii) They have selected such accounting policies and applied them consistency and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the financial year;
- (iii) They have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of the Act. They confirm that there are adequate systems and controls for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared annual accounts on a going concern basis.

15. Directors

CA S T Shah was appointed as an additional Director w.e.f. 10th November, 2012 ; CA Hemantkumar J Bhatt and Hasmukh H Adhvaryoo were also appointed as an additional Director w.e.f. 27th December, 2012.

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

Ramnikal Kotecha resigned from Board w.e.f. 10th November, 2012 and Suresh Kaneria and CA Rajesh Dhruva have resigned from board w.e.f. 27th December, 2012. The board appreciates the efforts put in by them for their contribution.

16. Auditors

M/s Maharishi & Co., Chartered Accountants, who are the statutory auditors of the company, hold office, in accordance with the provisions of the Act till the conclusion of the forthcoming annual general meeting and are eligible for reappointment. M/s Maharishi & Co., Chartered Accountants, has sought the re-appointment and has confirmed that their re-appointment if made shall be within the limits of section 224(1B) of the companies Act, 1956. The audit committee and the board of directors recommended the re-appointment of M/s Maharishi & Co., Chartered Accountants, as the Auditors of the company for the fiscal year ending on March 31, 2014.

17. Cost Auditors

The Company has appointed M/s. Ashish Bhavsar & Associates, practising Cost Accountants, for conducting the cost audit for Financial year 2012-2013.

18. Acknowledgments

The directors thank the company's customers, vendors, investors and bankers for their continued support during the year. It is unflinching support and hard work put in by employees which made the growth of the company possible, The directors' put sincere appreciation on record for employees. Company's consistent growth was made possible by their hard work, solidarity, cooperation and support. The directors also thank the government and Semi Government agencies of Government of India and state governments and approving agency Automotive Research Association of India (ARAI) for their support, and look forward to their continued support in the future.

For and on behalf of the Board

J J Chandra

Chairman & Managing Director

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

Annexure to the Directors' Report

Particular pursuant to Companies (Disclosure of particular in the report of the Board of Directors) Rules, 1988

a. Conservation of Energy

The company has always been conscious of need for conservation of energy. Energy conservation measures have been implemented at plant and more efforts are continuously made by the company to minimize wastages and reduce the consumption rate of power per unit. Actions of the company have resulted in consumption of units of power per vehicle from 124 units to 107 units. Total Energy consumption and per unit consumption thereof is given in Form A. This year we have reduced energy consumption per vehicle by 13.71%,

Form A

Particulars	2012-13	2011-12
Electricity Purchased		
Units	34,36,900	34,13,060
Amount Rs.	2,37,35,367	2,14,83,276
Rate Per Unit	6.91	6.29
Production in No.	32013	27563
Unit consumed per unit of production	107	124

It includes utilization of own generated electricity units 12,45,430 (previous year 12,91,748) form WTG in Gujarat.

b. Research and Development (R&D)

The company has R & D centre at Pune. The centre is aiming at regular up-gradation of vehicles produced by the company through absorption of latest technology coupled with strategic engineering skill. Company has incurred following expenditure on R&D.

(Rs. in lacs)

Particulars	2013	2012
Revenue expenditure	8.03	2.21
Capital expenditure	Nil	Nil
Total	8.03	2.21

c. Future Plan of Action

In the future, we will continue following more innovative, environment-friendly and practical automobile vehicles considering changes in market trends.

d. Foreign Exchange Earnings and Outgo

Activity relating to exports, initiatives taken to increase exports, development of new export plans. During the year, 0.87% of our revenues were derived from exports. Company is in process of establishing direct marketing network around the prospective geographies. Foreign exchange earnings and outgoes are as under

(Rs. in lacs)

Particulars	2013	2012
Earning	338	265
Expenditure	28	25
Net foreign exchange Earning (NFE)	310	240
NFE/Earning (%)	91.7	90.6

For and on behalf of the Board

J J Chandra

Chairman & Managing Director

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

Management Discussion & Analysis

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956, guidelines issued by the Securities and Exchange Board of India (SEBI) and the Generally Accepted Accounting Principles (GAAP) in India. Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for the various estimates and judgments used therein. The estimates and judgments relating to the financial statements have been made on a prudent and reasonable basis, so that the financial statements reflect in a true and fair manner the form and substance of transactions, and reasonably present our state of affairs, profit and cash flows for the year.

A. Economy And Industry Overview

The global economic environment in calendar year 2012 continued to remain uncertain with signs of concern and slow growth (1%-2%). Improving consumer confidence and structural policy decisions in the developed markets are providing the required momentum to kick-start the economy on to the path of recovery. In the emerging markets, strong consumer spending and upbeat investment sentiments continue to drive economic growth (5%-8%). Across markets, technology and innovation are being seen as growth drivers. Investment in innovation has emerged as a differentiator in the market place. Investment in technology has been enabling companies to connect with customers and influence their purchase decisions on a real time basis.

B. Industry Structure and Developments

Company is in the business of manufacturing three wheelers in passenger and goods carrier segment, in particular 0.5 T carrying capacity three wheelers. Domestic three wheeler market is now divided in two segments, i.e. 0.35 T three wheeler and 0.5 T three wheeler. While contribution of 0.5 T three wheeler in domestic market is above 50 %, the consumption for export market is catered by 0.35 T three wheelers.

Changing economic and business conditions, evolving consumer preference, rapid technological innovation and adoption, and globalization are driving corporation to transform the manner in which they operate. Companies are now more focused on their core business objectives, such as revenue growth, profitability and asset efficiency and new product development in three wheeler segment. GDP of the country is expected to grow at 5% for financial year 2013-14 and with good monsoon; GDP in agricultural sector is expected to grow by 1.2%. However, there are serious concerns in short term industrial outlook and industry is slowing down. As the inflation has also remained very high at steep increase in fuel prices will result in lower spending for purchase of goods across the industries. The automobile industry cannot remain isolated. It is further expected that the industrial output growth is likely to remain subdued in first half of 2013-14 owing to tighter monetary policies and weak external demand. Moderation in industrial production, rise in interest rates, fuel prices and other transporter cost is pressurizing profitability of fleet operators and is consequently expected to lead to lower CV demand for FY 2013 & FY 2014, after 2 years of strong growth. With cues of poor global economic scenario, the GDP of India is also expected to fall in current year at 5% in FY 2013-14. Industrial Manufacturing growth rate is negative in quarter 1 of F.Y. 2012-13 i.e. -0.84%, however the same is increased in the quarter 2 and quarter 3 of the same financial year i.e. 0.25% and 2.61% respectively.

The goods segment is linked to overall economic growth, as transportation is associated with all the sectors of the economy and hence, the company is more vulnerable to a slowdown in the economy as against other diversified competitors. Demand for commercial vehicles is cyclical as it is driven by various factors such as growth in industrial and agricultural production, freight movement, share of roads in freight movement, changes in freight rates and fuel prices, profitability of transporters and changes in government policies. CV sales have risen and fallen alternately, in line with macroeconomic indicators over the past decade and a half, which is also reflected from the correlation of freight movement with GDP (industrial and agricultural), which is significantly high at over 0.95 from 1970-71 to 2011-12.

Furthermore, three- wheeler sales have been lacklustre since sub-one tonne vehicles crowded them out in 2005-06 in domestic market. A higher load-carrying capacity and better cost economics, besides comfort and maneuverability have driven transporter preference for sub-one tonne vehicles over large three-wheeler, which had been used for last-mile applications until then. Contribution of three wheeler of the total small goods vehicles segment (LCV + three-wheeler) has reduced to around 35 percent in 2011-12, from 69 percent during 2004-05. Research Companies estimates the three wheeler segment contribution to decline to around 16 percent of the total small goods segment by 2016-17. Although sub-one tonne vehicles have not affected sales of small three wheeler as much as large three-wheeler, Researchers believes that company's product demand will remain prone to any significant technological innovation or launch of new models with better cost advantage in sub-one / micro truck category.

C. Automobile Industry and Trends

Industry Development in 3 wheeler segments for the year 12-13 as compared to year 11-12 is as follows:

Category	Domestic Sales			Exports		
	2011-12	2012-13	% Change	2011-12	2012-13	% Change
Passenger Carrier	4,06,260	4,41,118	8.58	3,59,613	3,00,473	-16.45
Goods Carrier	1,07,021	97,173	-9.20	2,140	2,615	22.20
Total Three Wheelers	5,13,281	5,38,291	4.87	3,61,753	3,03,088	-16.22

(Source: SIAM Report for the month of March 2013)

The factors such as income growth, consumer confidence, finance availability, increase in commodity prices and stiffening has continued to impact on automobile industry across the sector this year also. The overall growth in various segments of automobiles has started showing negative trends from the second quarter of the FY 2012-13. However in three wheeler segment the growth in domestic market is miniscule and export market is showing serious downturn. As the company is presently catering to domestic market its sales improved substantially mainly because of entry in to newer domestic geographies and increasing dealership network.

For future the outlook for the company products are forecast by SIAM as under:-

Segments	Review			Growth Forecast		Range	
	Volume ('000)		Growth (%)	CRISIL Forecast (%)	Delphi Response (%)	Forecast	Volume ('000)
	FY12	FY13	FY13	FY14P	FY14P(Avg.)	FY14P	FY14P
Goods	107	97	-9%	2 to 4%	4%	2 to 4%	99 TO 101
Passengers	406	443	9%	3 to 5%	4%	3 to 5%	456 TO 465
Total Three Wheelers	513	540	5%	3 to 5%	4%	3 to 5%	557 TO 567

P: Projected, Number of Delphi responses: 2 , Source: SIAM, CRISIL Research

D. Evaluation of technology

Consciousness of regulator and environment awareness of the consumers coupled with impending rise of diesel prices. The industries may also look at ecofriendly vehicles like CNG& LPG based three vehicles. Psychology of domestic users towards minimum cost per km for fuel and maintenance would be the driving factors in this market.

E. Financial Condition

Sources of funds

1. Share Capital

At present, we have only one class of shares - equity shares of par value Rs. 10/- each. Our authorized share capital is Rs.1500 lacs, divided into 150 lacs equity share of Rs. 10/- each. The subscribed and paid up capital stood at Rs.1097 lacs at the March 31, 2013, compared to Rs.731 lacs at March 31, 2012.

During the year, company has issued bonus shares of Rs.10/- each in the ratio 2:1 as on July 6, 2012. Total no. of bonus shares issued were 36,57,200 Equity shares. These shares are listed & available for trading at BSE Limited.

2. Reserves and Surplus

Capital Reserve

The balance as at March 31, 2013 amounted to Rs. 30 lacs, same as the previous year.

Securities Premium

There is no addition to the securities premium account during the year. However for the issue of 36,57,200 bonus share of Rs.10 each amounting to Rs. 366 lacs is utilized from the security premium. Therefore, at the end after utilizing premium for bonus closing balance in security premium is Rs. 478 lacs.

General Reserve

An amount of Rs.259 lacs representing 10% of the net profit for the year ended March 31, 2013 (previous year Rs.156 lacs) was transferred to the general reserves account from the Statement of Profit & Loss.

Profit and Loss Account

The balance retained in the Profit and Loss account as at March 31, 2013 is Rs.5,259 lacs, after providing the proposed dividend Rs.658 lacs and dividend tax of Rs.112 lacs thereon. The total amount of profit appropriated to dividend including dividend tax was Rs.770 lacs, as compared to Rs.425 lacs in the previous year.

Shareholders' funds

The total shareholder funds increased to Rs.7,430 lacs as at March 31, 2013 from Rs.5,609 lacs as of the previous year end.

The book value per share increased to Rs.68 as at March 31, 2013, compared to Rs.51 (After Bonus) as of the previous year end.

Application of Funds

3. Fixed assets

Capital Expenditure

We incurred a capital expenditure of Rs. 960 lacs (Rs. 847 lacs in the previous year). The entire capital expenditure was funded out of internal accruals.

Addition to gross block

During the year, we capitalized Rs. 760 lacs to our gross block of Tangible Fixed Assets comprising Rs. 219 lacs for investment in building, Rs. 477 lacs on plant & machinery, Rs. 11 lacs on furniture & fixtures and Rs. 29 lacs on vehicles and 24 lacs in office equipments.

Last year, we added Rs. 287 lacs to our gross block of Tangible Fixed Assets, including investment in Rs. 14 lacs for investment in building, Rs. 160 lacs on plant & machinery, Rs. 5 lacs on furniture & fixtures and Rs. 67 lacs on vehicles and 41 lacs office equipment.

Deductions to Gross Block

During the year, we deducted Rs.10 lacs from the gross block on disposal of assets. During the previous year, we retired/disposed various assets with the gross block of Rs.560 lacs.

Capital Expenditure Commitments

We have a capital expenditure commitment of Rs. 143 lacs as at March 31, 2013 as compared to Rs.853 lacs as at March 31, 2012.

4. Investments

Our investments includes, investment held in associated company Khushbu Auto Finance Limited of Rs. 230 lacs which represent 49% holding in the company. In the previous year we depreciated the value of investment by Rs. 107 lacs on account of permanent diminution in the value of share of Khushbu Auto Finance Limited. Our investment also includes current investment made in liquid mutual funds of Rs.3382 lacs

5. Deferred Tax Assets /Liabilities

We recorded deferred tax assets of Rs.39 lacs at March 31, 2013 (Rs. 11 lacs as at March 31, 2012) and deferred tax liabilities of Rs. 488 lacs as at March 31, 2013 (Rs.477 lacs as at March 31, 2012).

We assess the likelihood that our deferred tax assets will be recovered from future taxable income. We believe it is more likely than not that we will realize the benefits of these deductible differences.

6. Trade receivables

Trade receivable amounted to Rs.715 lacs as at March 31, 2013, compared to Rs.608 lacs as at March 31, 2012. These debts are considered good and realizable. Debtors are at 1.97% of revenues for the year ended March 31, 2013, compared to 2.03% for the previous year.

7. Cash and Cash Equivalents

The bank balances shows various balances held in scheduled banks. Cash and cash equivalents also includes investment in liquid mutual fund having maturity less than 90 days.

8. Loans and Advances

(Rs. in lacs)

Particulars	2013	2012
Long term loans & advances		
Advance for capital goods	254	352
Securities and rent deposits	45	36
Balance with government authority	86	71
Sub-Total	385	459
Short term loans & advances		
Advances to suppliers for material	60	131
Advances to suppliers for services	23	12
Advances for other	11	8
Advances to staff	5	5
Expenses paid in advance	29	10
Balance with government authority	28	28
Sub Total	156	194
Total	541	653

Advances are made for capital goods, deposits includes PGVCL deposit, rent deposit and security deposit. Company has paid tax against demand raised and went for future litigation.

9. Liabilities

(Rs. in lacs)

Particulars	2013	2012
Dealers' deposits	258	205
Cash credit from IDBI	0	389
Trade payable	2,374	1,568
Unpaid dividend	22	10
Advance form dealers	91	252
Others liabilities		
Duties & taxes	313	292
Provision for expenses	59	57
Total	3,117	2,773

Provision for expenses represent amounts accrued for other operational expenses.

Duties and taxes payable represent local taxes payable in which we operate and the same will be paid in due course.

Advances received from clients represent monies received for the delivery of future services.

10. Provisions

(Rs. in lacs)

Particulars	2013	2012
Proposed Dividend	658	366
Tax on Dividend	112	59
Income Tax	106	164
Leave Salary	76	25
Post-sale Client Support and Warranties	193	141
Wealth Tax Payable	2	3
Gratuity Obligation	90	55
Total	1,237	813

Proposed dividend represents that, we recommended to our shareholders. On approval by our shareholders, this will be paid after the Annual General Meeting (AGM). Provision for tax on dividend denotes taxes payable on final dividend declared for the year. Provisions for taxations represent estimated income tax liability. Provisions for Unavailed leave are towards our liability for leave encashment valued on an actuarial basis. The provision for post - sales client support and warranties is towards likely expenses for providing post sales client support on fixed prices contracts.

F. Results of Operations

The function wise classification of statement of profit and loss account is as follows:

Particulars	2013	%	2012	%
Revenue from Operations	36,384	100.00	29,882	100.00
Cost of materials consumed	28,315	77.82	24,186	80.94
Changes in inventories of finished goods work-in-progress	74	0.20	-430	-1.44
Margin	7,994	22.18	6,126	19.06
Employee benefits expense	2,101	5.77	1,660	5.56
Other expenses				
- Manufacturing Expense	368	1.01	474	1.59
- Selling and distribution Expense	1,087	2.99	899	3.01
- General Admin Expense	430	1.18	339	1.13
Operating Profit before interest, depreciation, taxes and amortization (PBIDTA)	4,008	11.02	2,754	9.21
Finance costs	40	0.11	76	0.26
Depreciation and amortization expense	444	1.22	426	1.43
Operating Profit Before Tax	3,524	9.69	2,252	7.54
Other Income	198	0.54	59	0.20
Net Profit before tax and exceptional item	3,722	10.23	2,311	7.73
Provision for Taxation	1,130	3.11	765	2.56
Net Profit after tax and before exceptional item	2,592	7.12	1,546	5.17
Exceptional Item	0	0.00	13	0.04
Net Profit after tax and exceptional item	2,592	7.12	1,559	5.22

1. Income

Sale of Vehicles and Spares

Sales of Vehicles and Spares have been increased by 21.77% to Rs.36,286 lacs for the year March 31, 2013, compared to Rs.29,798 lacs in March, 2012. Company has recorded total sales of 32,040 vehicles as compared to 27,000 vehicles in the previous year.

Other Operating Income

Other operating income has been increased to Rs.98 lacs for the year March 31, 2013 for Rs.85 lacs for the year March 31, 2012.

2. Expenditure

Raw Material Consumption & Processing Charges

Raw Material consumption & processing charges increased by 17.08% to Rs.28,315 lacs for the March 31, 2013 from Rs.24,186 lacs for the March 31, 2012.

Employee Benefits

Employee benefits increased by 26.57% to Rs.2,101 lacs for the year March 31, 2013 from Rs.1,660 lacs for the March 31, 2012.

Finance Cost

During the year finance cost has been decreased by 47.26% to Rs.40 lacs compared to Rs.76 lacs in the previous year. It includes other interest of Rs.17 lacs Interest on Income tax Rs.13 lacs, bank charges of Rs.3 lacs and other borrowing cost of Rs.7 lacs.

Depreciation & Amortization

We have provided Rs.390 lacs for depreciation, amortization of intangible asset of Rs.54 lacs during the year.

Tax Expenses

We have provided provision for current tax Rs.1147 lacs for the year ended March 31, 2013, compared to Rs.840 lacs in the previous year.

Gross Profit

The gross profit from the vehicle sales during the year was Rs.6,363 lacs representing 17.49% of revenues compared to Rs.4,662 lacs representing 15.6% of revenues in the previous year.

Manufacturing Expenses

We incurred manufacturing expenses at 1.01% of our revenue, compared to 1.59% in the previous year.

Selling and Marketing Expenses

We incurred selling and marketing expenses at 2.99% of our revenues, compared to 3.01% in the previous year. It includes Rs.144 lacs of finance subvention expenses paid to financial company / bank for finance given to vehicles.

General and Administration Expense

We incurred General and administration expenses amounting to 1.18% and 1.13% of our revenues, during the current year and previous year, respectively.

3. Operating Profits

We earned an operating profit (PBIDTA) of Rs.4,008 lacs, representing 11.02% of revenues compared to Rs.2,754 lacs, representing 9.22% of revenues, during the previous year.

4. Other Income

Our treasury policy allows us to invest in short-term instruments with a maturity of up to 90 days, with a limit on individual fund/ bank. The increase in interest income during the year was on account of higher cash generation in the business and increase in the average yield during the year.

5. Provision for Tax

We have provided for our tax liability in India. The Indian statutory corporate tax rate for the year ended March 31, 2013 is 32.445%.

6. Net Profit After Tax

Our net profit increased by 67.66% to Rs.2,592 lacs for the year ended March 31, 2013 from Rs.1,546 lacs in the previous year, excluding exceptional item. This represents 7.12% and 5.17% of revenue for the year ended March 31, 2013 and March 31, 2012 respectively

7. Earnings Per Share (EPS) Before Exceptional Item

Our basic EPS before exceptional item and bonus shares increased by 44.23% during the year to 35.44 per share from 24.57 per share in the previous year. But after issuing bonus share the EPS is 23.62 and 16.51 per share in current year and previous year respectively. The outstanding shares used in computing basic EPS before bonus issue is increased from 62,93,403 for the year ended March 31, 2012 to 73,14,400 for the year ended March 31, 2013. However after issuing bonus shares the outstanding share for computing basic EPS is increased from 94,40,105 shares to 1,09,71,600 for the year ended March 31, 2013.

8. Liquidity

Our growth has been financed largely through cash generated from operations. The net cash generated from our operations was Rs.4066 lacs and Rs.1,956 lacs for the years ended March 31, 2013 and March 31, 2012, respectively. Net cash provided by / (used in) investing activities was Rs.(956) lacs and Rs.(611) lacs for the year ended March 31, 2013 and March 31, 2012, respectively. Net cash used in financing activities was Rs.442 lacs and Rs.491 lacs for the years ended March 31, 2013 and March 31, 2012, respectively.

9. Related Party Transactions

These have been discussed in detail in the Notes to the financial statements section of this report.

10. Events Occurring after the Balance Sheet Date

There were no significant events occurring after the Balance Sheet date.

G. Opportunities and threats

Our strengths

- The Company has been in this business for more than three decades.
- Company's promoters have hands on experience in the auto industry.
- Company has a dedicated research & Development team constantly working to develop more efficient vehicles.
- The Company has launched diesel vehicles having substantial advantage in terms of fuel economy over petrol driven vehicle.
- The company has also launched New vehicle called 'Atul Gemini-Dz'
- The company is in process of developing small carrying capacity CNG & LPG vehicles which are having good demand, looking into cost effectiveness and environment friendly product.
- Company has started expanding its reach to new markets.
- Once the small gasoline and alternative fuel vehicle will be in place, Company would complete range of three wheelers to cater any market segment.

Our Strategy

We strive to shed our image of regional player to national player by penetrating market in various states.

Our Competition

We operate in a highly competitive and rapidly changing market and compete with entities who are large players and several other small manufacturers. Company is facing competition from these companies, which is normal in nature.

In the future, we expect an intensified competition from some of them, and may also experience competition from new competitors. In particular, we expect increased competition from firms that strengthen their presence in India bringing advanced technology and foreign collaboration.

We understand that price alone cannot constitute a sustainable competitive advantage. We believe that the principal competitive factors in our business are the ability to attract and retain high-quality management, technology professionals, and sales personnel; constant innovation and improvement in products, increase the scale and breadth of service offerings to customers PAN India and provide solutions for customer needs; keep pace with ever-changing technology and customer requirements; a strong and well-recognized brand; a proven track record of performance excellence and customer satisfaction; the financial strength to be able to invest in personnel and infrastructure and capacities to support the evolving demands of market; and high ethical and corporate governance standards to ensure honest and professional business practices and protect the reputation of the Company and its customers.

We believe we compete adequately with respect to these factors.

Outlook, risks and concerns

This section contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these statements as a result of certain factors. The following lists our outlook, risks and concerns:

- Our revenues and expenses are difficult to predict and can vary significantly from period to period, which could cause our share price to decline. We may not be able to sustain our previous profit margins or levels of profitability.
- The economic environment, pricing pressure could negatively affect our revenues and operating results.
- Any inability to manage our growth could disrupt our business and reduce our profitability.
- We may face difficulties in procuring raw material at competitive process because of our size compared to competitors and therefore may have bore the brunt of fluctuating commodity prices .
- Our success depends in large part on our management team and key personnel and our ability to attract and retain them.
- Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.
- We may engage in acquisitions, strategic investments, strategic partnerships or alliances or other ventures that may or may not be successful.
- We may be the subject to litigation which, if adversely determined, could harm our business and operating results.
- Wage pressures and the hiring of employees may prevent us from sustaining our competitive advantage and may reduce our profit margins.

H. Internal Control Systems and Their Adequacy

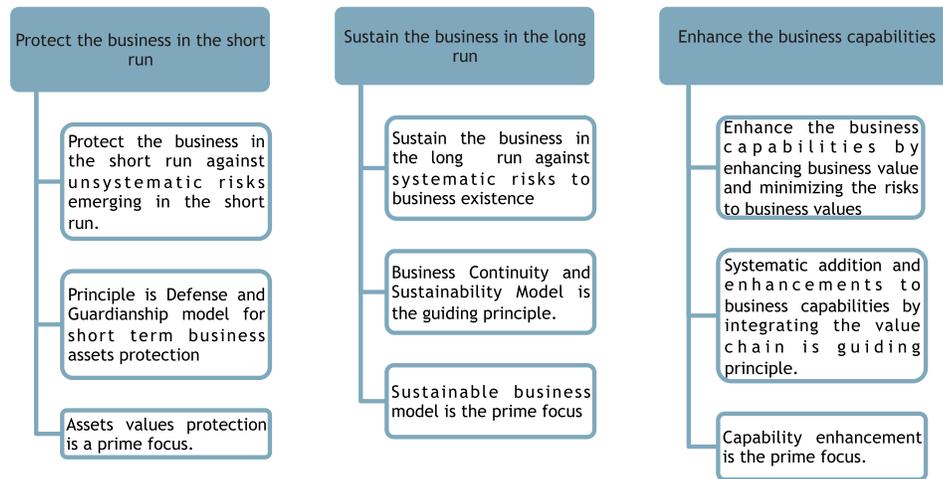
The company has a comprehensive system of internal control to safeguard the Company's assets against the loss from unauthorized use and ensures proper authorization of financial transactions.

The Company has internal control systems commensurate with the size and nature of the business and has experienced personnel positioned adequately in the organization to ensure internal control process and compliances. The Company takes abundant care in designing, reviewing and monitoring regularly the working of internal control systems and internal control compliances for all important financial internal control processes. The Audit findings are reported on quarterly basis to the Audit Committee of the Board headed by a Non-executive Independent Director.

The company has robust ERP systems based on SAP platform. This ensures a high degree of system-based checks and controls. The company maintains a system of internal control designed to provide a high degree of assurance regarding the effectiveness and efficiency of operations, the reliability of financial controls and compliance with laws and regulations.

I. Risk Management Analysis

ERM Objectives



The Company has framework for management of its risk. It has led down detail procedure to inform board Member about the Risk assessment and Minimization Procedure. These procedures are reviewed periodically to ensure the executive management control risk through means of proper define framework.

The company has categorized its risk in 6 broad categorized such as:

- Strategy risk
- Operational risk
- Resources risk
- Industry risk
- Competition risk
- The regulatory framework

On the basis of above risk categories the impact of risk is analysis on its following parameters

- Financial
- Customers
- Operation
- Human resource and leadership

On impact analysis there is a define framework or management of such key risks by

- Identification and Assessment
- Monitoring and mitigation
- Reporting and Disclosure to the board
- Integration with strategy and business plan

The risk governance structure comprises of board of directors and key management team with advisory function of consultants risk are identified on the corporate level and entity level and accordingly same are refer to respective governance structure.

Risk management during the year

Our key ERM practice continuous to focus on minimizing adverse impact on our growth, profitability, efficiency and sustainability. During the year we have carried out periodic Assessment of risk their potential impact on our business and assessment of risk comprising or our key geographic, key suppliers, key external indicators, key products launched by the competitors. We have also periodically reviewed and monitored key development in regulating environment and its impact on our supply chain management. We have also analysis risk involved in capacity on bottlenecks and its impact on growth strategies.

Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand /supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental facto`

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, July30, 2012, November9, 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)

Shareholder's Reference

Corporate

Atul Auto Limited was incorporated in Maharashtra in 1986 as Atul Auto (Jamnagar) Private Limited, a private limited company under the Indian Companies Act, 1956. The registered office of the company was transferred to Jamnagar in the state of Gujarat on 24th January, 1992. Subsequently on 20th April, 1994 the registered office was transferred to Dist. Rajkot, Gujarat. The Name of the company was changed from Atul Auto (Jamnagar) Private Limited to Atul Auto Private Limited on 12th August, 1994. The company was subsequently converted into a Public Limited company and fresh certificate of incorporation was obtained on 12th August, 1994 from the Registrar of the Companies, Gujarat. The company set up its plant at shapar (Rajkot district), Gujarat. Its commercial production commenced in July 1992. The company has made initial public offer of 536.25 lacs at a premium of 12/- per share in 1996. The address of our registered office is Survey No. 86, Plot No. 1 to 4, National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, India.

History of Bonus Issue and Right Issue

Fiscal	1994-95	2000-01	2011-12	2012-13
Bonus	4 : 5	1 : 5	-	1:2
Right	1 : 1	-	1 : 4	-

Unclaimed dividend

Section 205 of the Companies Act, 1956, mandates that the Company transfers dividend that has been unclaimed for a period of seven years from the unpaid dividend account to the Investors Education and Protection Fund (IEPF). In accordance with the following schedule, the dividend for the years mentioned as follows, if unclaimed within a period of seven years, will be transferred to IEPF.

Year	Type of dividend	Dividend per share	Date of declaration	Due date for transfer	Amount (Rs.)
2006	Final	1/-	24/07/2006	23/07/2013	46,484
2007	Final	1/-	28/9/2007	27/09/2014	77,946
2008	Final	1/-	27/09/2008	26/09/2015	54,294
2009	Final	0.50	29/09/2009	28/09/2016	1,46,778
2010	Final	2/-	28/07/2010	27/07/2017	2,68,586
2011	Final	4/-	30/7/2011	29/07/2018	3,73,684
2012	Final	5/-	26/06/2012	25/06/2019	11,93,090

The Company is sending periodic communication to the concerned shareholders advising them to lodge their claims with respect to unclaimed dividend. Shareholders are cautioned that once unclaimed dividend is transferred to IEPF, no claim shall lie in respect thereof with the Company.

Annual General Meeting

Date and time	Tuesday, 16th July 2013 at 11.00 a.m.
Venue	Plot No. 1 to 4, Survey no. 86, National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot Gujarat
Book closure date	8th July 2013 to 15th July 2013 (Inclusive of both days)
Dividend payment date	Between 22nd July, 2013 to 7th August, 2013.

Investor Awareness

Maintaining the highest standards is not a matter of mere form, but of substance. In continuation of our efforts in that direction, we have provided a synopsis of some of your rights and responsibilities as a shareholder on our website www.atulauto.co.in. We encourage you to visit our website and read the document. We hope that the document will give you appropriate guidance, though in brief, on any questions regarding your rights as a shareholder.

Dematerialization of shares and liquidity

Atul Auto Ltd's shares are tradable compulsorily in electronic form and, through Sharex Dynamic (India) Private Limited, Registrars and Share Transfer Agents in case of physical holding. As at March 31, 2013, 94.66 % of our shares were held in dematerialized form and the rest in physical form. Shares held in dematerialize and physical modes as March 31, 2013 are as follows:

Category	Number of shares	% to total equity
Dematerialize mode	1,03,85,248	94.66 %
Physical mode	5,86,352	5.34 %
Grand total	1,09,71,600	100 %

To enable us to serve our investors better, we request shareholders whose shares are in physical mode to dematerialize shares and to update their bank accounts with their respective depository participants.

Reconciliation of Share Capital Audit

The Board of Directors of the Company has appointed MJP Associates, Practising Company Secretaries, to conduct Reconciliation of Share Capital Audit of the Company. The findings of reconciliation of share capital audit are satisfactory.

Investor Complaints

Nature of complaints	Received		Attended	
	2012-13	2011-12	2012-13	2011-12
Dividend/Annual Report Related	14	22	14	22

We attended to most of the Investor's grievances / correspondences within a period of ten days from the date of receipt of such grievances. The exceptions have been for cases constrained by disputes or legal impediments.

Designated Email Address for Investor Services

In terms of Clause 47 (f) of the Listing Agreement, the designated email address for investor complaints is investorrelations@atulauto.co.in.

Legal Proceedings

There are certain pending cases related to disputes over title to shares in which we had been made a party. However, these cases are not material in nature.

Shareholders Holding More than 1% of the Shares

The details of shareholders holding more than 1% of the equity as at March 31, 2013 are as follows :

Name of Shareholders	Number of Shares	% of Total Shareholding
Vijay Kishanlal Kedia	10,83,998	9.88%
Kedia Securities Pvt Ltd	9,85,500	8.98%
Jayantibhai Jagjivandas Chandra	8,05,303	7.34%
Maheshbhai Jagjivandas Chandra	6,45,033	5.88%
Dharmendrabhai Jagjivandas Chandra	6,33,663	5.78%
Harishbhai Jagjivandas Chandra	5,82,393	5.31%
Bharat Jagjivandas Chandra	4,87,953	4.45%
Manishaben Atulkumar Chandra	4,66,110	4.25%
Kashiben Jagjivandas Chandra	3,39,588	3.10%
Anita Nirajbhai Chandra	2,15,500	1.96%
Pratulaben Jayantilal Chandra	1,84,843	1.68%
Nirajbhai Jayantibhai Chandra	1,42,339	1.30%
Mahendrakumar Jamnadas Patel	1,38,924	1.27%
Rekhaben Maheshbhai Chandra	1,27,650	1.16%
Jamnadas Kurjibhai Patel	1,22,280	1.11%
Ushaben Dharmendrabhai Chandra	1,22,137	1.11%
Vasantraj Kurjibhai Patel	1,14,000	1.04%
Ramaben Jamnadas Patel	1,13,256	1.03%
Dayalal Gordhandas Patel	1,12,758	1.03%
Chetankumar Vasantraj Patel	1,10,268	1.01%

Distribution of shareholding as at March 31, 2013

Range of Equity Shares Held (Rs.)	Number of Shareholders	% of Shareholders	Number of Shares	% of Total number of shares
Up to 5000	2,236	78.93%	28,83,690	2.63%
2001-10000	229	8.08%	17,08,240	1.56%
10001-20000	137	4.84%	20,59,300	1.88%
20001-30000	51	1.80%	12,36,680	1.13%
30001-40000	32	1.13%	11,29,600	1.03%
40001-50000	16	0.56%	6,86,160	0.63%
50001-100000	53	1.87%	37,31,810	3.40%
100001 and above	79	2.79%	9,62,80,520	87.75%
Total	2,833	100.00%	10,97,16,000	100.00%

Share transfers in Physical Form

Shares sent for physical transfer are affected after giving a 15 days' notice to the seller for confirmation of the sale.

Listing on stock exchanges & ISIN for Dematerialization

Stock Exchange where securities of Company are listed	BSE Limited, Mumbai
BSE Script Code	531795
ISIN (for demat)	INE951D01010

The listing fees for fiscal 2012-2013 have been paid for BSE Limited.

Shareholding Pattern

Category	March 31, 2013			March 31, 2012		
	Shareholders (No.)	Voting strength (%)	Number of shares held	Shareholders (No.)	Voting strength (%)	Number of shares held
Promoters' holding						
Indian Promoters	29	56.6	62,11,617	29	60.8	44,47,746
Total promoters' holding (A)	29	56.6	62,11,617	29	60.8	44,47,746
Public shareholding						
Institutional investors	-	-	-	-	-	-
Mutual funds	-	-	-	-	-	-
Banks, financial institutions and insurance companies	-	-	-	-	-	-
Foreign institutional investors	1	0.1	11,828	-	-	-
Others						
Private corporate bodies	118	10.8	11,85,498	96	13.5	9,85,436
Indian public	2,574	27.6	30,27,403	1,705	21.2	15,53,839
NRIs / OCBs / Foreign nationals	100	4.6	5,03,969	65	4.4	3,20,169
Clearing Members	11	0.3	31,285	10	0.1	7,210
Total public shareholding (B)	2,804	43.38	47,59,983	1,876	39.2	28,66,654
Total (A + B)	2,833	100	1,09,71,600	1,905	100	73,14,400

Stock market data - Exchanges in India

The monthly high and low quotations, as well as the volume of shares traded at the BSE for the current year are provided as follows:

Particulars	BSE		
	High (Rs.)	Low (Rs.)	Volume (No of shares)
April, 2012	142.50	113.15	69,131
May, 2012	163.00	132.50	1,52,693
June, 2012	203.00	140.05	9,29,611
July, 2012	193.00	91.15	6,69,388
August, 2012	116.90	89.95	11,68,404
September, 2012	110.50	96.00	6,24,651
October, 2012	120.85	108.00	2,61,226
November, 2012	168.45	114.00	4,91,197
December, 2012	181.00	156.10	6,10,257
January, 2013	222.20	168.00	10,71,438
February, 2013	226.90	175.05	8,55,657
March, 2013	190.75	139.90	3,04,239
Total	(*)226.90	(*)89.95	72,07,892

Notes: The numbers of shares outstanding are 1,09,71,600.

*represents yearly high and yearly low of equity shares. Independent Auditor's Report

Independent Auditor's Report

To
The Members of
ATUL AUTO LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of Atul Auto Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For Maharishi & Co.

Chartered Accountants

Firm Registration No.124872W

Prashant Maharishi

Partner

Membership No.041452

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

ANNEXURE TO AUDITORS' REPORT

[Referred to in paragraph 1 under the heading of "reporting on Other Legal and Regulatory requirements" of our report of even date to the members of ATUL AUTO LIMITED on the financial statements for the year ended March 31, 2013]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets on the basis of available information.
- (b) As explained to us, all the fixed assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the company is not affected.
- (ii) (a) The inventory (excluding stocks with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to the explanation and information given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and as explained to us, there was no material discrepancies were noticed on physical verification carried out at the end of the year as compared to the book records.
- (iii) As informed, the Company has neither granted nor taken any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions stated in paragraph 4 (iii) (b), (c) and (d) of the order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there exists an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct weakness in internal control system of the company.
- (v) (a) According to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need to be entered into the register maintained under section 301 have been so entered.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ` five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under. Therefore, the provisions of clause (vi) of paragraph 4 of the order are not applicable to the company.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 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.
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable,
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
The Gujarat Sales Tax Act	Sales Tax	11,83,791	2000-01	Gujarat High Court
The Central Sales Tax Act, 1956	CST	2,02,531	2001-02	Gujarat High Court
The Central Excise Act, 1944	Excise Duty	16,81,585	2006-07 & 2007-08	CESTAT
The Central Excise Act, 1944	Excise Duty	61,825	2008-09 & 2009-10	Commissioner Appeals
The Central Excise Act, 1944	Excise Duty	41,200	2008-09	Commissioner Appeals
The Finance Act, 1994	Service Tax	4,74,336	2008-09 & 2009-10	Commissioner Appeals
The Income Tax Act, 1961	Income Tax	66,850	2004-05	Income Tax Appellate Tribunal
The Income tax Act 1961	Income tax	67,34,163	2002-03, 2003-04, 2004-05	Income tax Appellate Tribunal
The Income Tax Act, 1961	Income tax	20,03,740	2007-08	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	6,23,260	2007-08	Commissioner Appeals
The Income Tax Act, 1961	Income Tax	18,41,315	2009-10	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	3,16,505	2009-10	Income Tax Appellate Tribunal

- (x) The company does not have accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (xi) Based on our audit procedures and In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the company has not granted loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause (xiii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In respect of dealing/trading in shares, securities, debentures and other investments, in our opinion and according to the information and explanations given to us, proper records have been maintained of the transactions and contracts and timely entries have been made therein. All the shares, securities, debentures and other investments have been held by the Company, in its own name.
- (xv) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- (xvi) The Company has not obtained any term loans during the year.

- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) According to the information and explanations given to us, the company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of The Companies Act.
- (xix) According to the information and explanations given to us, no debentures have been issued by the company during the year.
- (xx) According to the information and explanations given to us, company has not made any public issue during the year.
- (xxi) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.

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

Prashant Maharishi
Partner
Membership No.041452
On 18th May, 2013 at Shapar (Dist. Rajkot)

(Amount in Rs.)

	Particulars	Notes	31-Mar-13	31-Mar-12
I	EQUITIES AND LIABILITIES			
1	Shareholders Fund			
	(a) Share Capital	3	11,20,44,850	7,54,72,850
	(b) Reserves & Surplus	4	63,09,89,826	48,53,88,299
	Sub-Total Shareholder's Fund		74,30,34,676	56,08,61,149
2	Non - Current Liabilities			
	(b) Deferred tax liabilities (Net)	5	4,48,92,400	4,65,88,500
	(c) Other Long term liabilities	6	2,57,76,000	2,04,76,000
	(d) Long-term provisions	7	19,34,398	6,18,923
	Sub-Total Non-Current Liabilities		7,26,02,798	6,76,83,423
3	Current Liabilities			
	(a) Short term Borrowing	8	-	3,88,65,281
	(b) Trade payables	9	23,74,42,120	15,67,96,462
	(c) Other current liabilities	10	4,84,42,091	6,12,80,621
	(d) Short-term provisions	7	12,79,94,067	8,07,85,336
	Sub-Total Current Liabilities		41,38,78,278	33,77,27,700
	TOTAL EQUITIES & LIABILITIES		1,22,95,15,752	96,62,72,272
II	ASSETS			
1	Non-Current Assets			
	(a) Fixed Assets	11		
	(i) Tangible assets		42,05,07,859	38,41,84,582
	(ii) Intangible assets		1,01,46,876	1,55,37,205
	(iii) Capital work-in-progress		5,00,16,548	1,57,12,981
	(b) Non-current investments	12	1,22,95,260	1,22,95,260
	(c) Long-term loans and advances	13	3,84,71,540	4,58,73,207
	Sub-Total - Non Current Assets		53,14,38,083	47,36,03,235
2	Current Assets			
	(b) Inventories	14	22,94,69,494	29,82,49,830
	(c) Trade receivables	15	7,15,17,730	6,08,08,643
	(d) Cash and cash equivalents	16	38,07,32,984	11,37,28,669
	(e) Short-term loans and advances	17	1,56,01,903	1,93,59,430
	(f) Other current assets	18	7,55,555	5,22,464
	Sub-Total - Current Assets		69,80,77,668	49,26,69,036
	TOTAL ASSETS		1,22,95,15,752	96,62,72,272

Summary of Significant Accounting Policies 2.1

The notes referred to above forms an integral part of the Balance Sheet.

As per our report of even date

For Maharishi & Co.,

Chartered Accountants

Firm Reg. No. 124872W

Prashant Maharishi,
Partner

M. No. 41452

Signed at Rajkot on 18th May, 2013

For and on behalf of Board

Chandra J J

Chairman and Managing Director

Patel M J

Whole Time Director

Purvi P Mehta
Company Secretary

(Amount in Rs.)

Particulars		Notes	31-Mar-13	31-Mar-12
I	INCOME			
	Sales	19	4,07,45,95,597	3,28,66,97,048
	Less: Excise		-44,59,97,606	-30,69,18,239
	Revenue from operations		3,62,85,97,991	2,97,97,78,809
	Other operating revenue		98,06,269	84,58,081
	Other income	20	1,97,61,818	59,32,435
	TOTAL REVENUE		3,65,81,66,078	2,99,41,69,325
II	EXPENSES			
	Cost of materials consumed	21	2,83,15,49,177	2,41,85,49,844
	Changes in inventories of finished goods work-in-progress	22	74,43,736	-4,29,90,793
	Employee benefits expense	23	21,01,07,648	16,60,37,364
	Finance costs	24	40,33,072	76,47,116
	Depreciation and amortization expense	25	4,43,70,912	4,25,88,621
	Other expenses	26	18,84,60,109	17,11,68,288
	TOTAL EXPENSES		3,28,59,64,654	2,76,30,00,440
IV	Profit before tax & exceptional items (III-IV)		37,22,01,424	23,11,68,885
V	Exceptional items	27	-	-12,80,554
VI	Profit before tax (V - VI)		37,22,01,424	23,24,49,439
VII	Tax expense:	28		
	(1) Current tax		11,47,06,657	8,40,27,063
	(2) Deferred tax		-16,96,100	-74,80,770
	Sub-Total Tax Expenses		11,30,10,557	7,65,46,293
VIII	PROFIT/(LOSS) FOR THE YEAR		25,91,90,867	15,59,03,146
IX	Earnings per equity share	29		
	Basic & Diluted - Before Bonus		35.44	24.77
	Basic & Diluted - After Bonus		23.62	16.51

Summary of Significant Accounting Policies

2.1

The notes referred to above forms an integral part of the Balance Sheet.

As per our report of even date

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

Prashant Maharishi,
Partner
M. No. 41452
Signed at Rajkot on 18th May, 2013

For and on behalf of Board

Chandra J J
Chairman and Managing Director

Patel M J
Whole Time Director

Purvi P Mehta
Company Secretary

(Amount in Rs.)

	Particulars	31-Mar-13	31-Mar-12
A.	Cash flow from operating activities		
	Net profit before taxation	37,22,01,424	23,24,49,439
	Adjustment for:		
	Depreciation & Impairment	4,43,70,912	4,25,88,621
	Provision for diminution of Investment	-	1,06,99,360
	Loss/(Profit) on sale of fixed assets	1,24,736	-1,15,85,644
	Effect of change in exchange rate on cash and cash equivalents	-15,802	-
	Interest Expenses on long term funds	16,61,337	57,95,090
	Operating Profit before working capital changes	41,83,42,607	27,99,46,866
	Movements in working capital:		
	Decrease/-Increase in Trade Receivable	-1,07,09,087	-62,38,528
	Decrease/-Increase in Inventories	6,87,80,336	-10,65,11,026
	Decrease/-Increase in Non Current Assets (Loans & Advances and Other Assets)	-8,94,806	-9,74,309
	Decrease/-Increase in Current Assets (Loans & Advances and Other Assets)	35,24,436	-52,21,070
	Increase/-Decrease in Trade Payables	7,61,03,645	4,70,15,357
	Increase/-Decrease in Non Current Liabilities	66,15,475	35,68,556
	Increase/-Decrease in Current Liabilities & Provisions	55,91,475	1,46,87,392
	Increase/-Decrease in short term borrowing relating operation	-3,88,65,281	3,88,65,281
	Sub-Total Movement in Working Capital	11,01,46,191	-1,48,08,347
	Cash generated from operations	52,84,88,798	26,51,38,519
	Direct taxes paid (net of refunds)	-12,18,88,779	-6,95,51,383
	NET CASH FROM OPERATING ACTIVITIES	40,66,00,019	19,55,87,136
B.	Cash flow from investing activities		
	Purchase of fixed assets	-9,59,73,373	-8,46,69,599
	Tax paid on Capital Gain		-59,16,425
	Proceeds from sale of fixed assets	5,28,096	2,94,87,610
	NET CASH FLOW FROM INVESTING ACTIVITIES	-9,54,45,277	-6,10,98,414
C.	Cash flow form financing activities		
	Repayment of long-term borrowings	-	-6,00,00,000
	Proceeds from Issue of Shares	-	4,38,86,400
	Interest paid	-16,61,337	-57,95,090
	Dividend paid	-3,65,72,000	-2,34,06,080
	Tax on dividend paid	-59,32,893	-37,97,051
	NET CASH CLOW FROM FINANCING ACTIVITIES	-4,41,66,230	-4,91,11,821
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	26,69,88,513	8,53,76,901
	Cash and cash equivalents at the beginning of the year	11,37,28,669	2,83,51,765
	Cash and cash equivalents at the end of the year	38,07,17,183	11,37,28,669
	Components of cash and cash equivalents as at the end of the year		
	Cash and cheques on hand	9,00,392	73,293
	Investment in Liquid securities	33,82,14,142	6,51,96,958
	Effect of change in cash or cash equivalent held in foreign currency due to exchange rate fluctuation	-15,801	
	With bank		
	- In current account	2,71,75,685	4,63,21,541
	- In Fixed Deposit Account	1,22,81,903	11,28,608
	- In Unpaid Dividend account	21,60,862	10,08,269
	TOTAL	38,07,17,183	11,37,28,669

The notes referred to above forms an integral part of the Balance Sheet.

As per our report of even date

For Maharishi & Co.,

Chartered Accountants

Firm Reg. No. 124872W

Prashant Maharishi,
Partner

M. No. 41452

Signed at Rajkot on 18th May, 2013

For and on behalf of Board

Chandra J J
Chairman and Managing Director

Patel M J
Whole Time Director

Purvi P Mehta
Company Secretary

1 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 Gandhavi, Gujarat.

2 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.

2.1 Significant Accounting Policies

(a) 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 estimates. Any revision to accounting estimates is recognized in accordance with the requirements of the respective accounting standard.

(b) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares

Lower of cost and 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 and 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.

(c) Events occurring after balance 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

(d) 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 - amortized over the period of the lease.

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

(e) 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 recognized 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 recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends

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

(f) 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.

(g) 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 recognized as income or as expenses in the year in which they arise.

(h) Investments

Investments that are readily realizable 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.

(i) 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 are 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 is charged to the profit and loss account of the year when the contributions 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 unutilized leave at each balance sheet date.

(j) Borrowing Cost

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying

asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

(k) 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.

(l) Earnings Per Share

Basic earnings 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.

(m) 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 recognized, 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.

(n) 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.

SAP Implementation Charges

Expenses incurred for implementation of SAP are recognized as intangible assets and are included under fixed assets. The amounts are amortized over sixty months from the implementation of SAP i.e. from January 1, 2012

(o) 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 recognized 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.

(p) Provisions

A provision is recognized 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. Provisions 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.

(q) 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.

Notes on Accounts

Note No.	Particulars	31.03.2013		31.03.2012	
		No.	Amount	No.	Amount
3	SHARE CAPITAL				
	(a) <i>Authorised Share Capital</i>				
	Equity Shares of Rs. 10 each	1,50,00,000	15,00,00,000	80,00,000	8,00,00,000
	<i>Issued Share Capital</i>				
	Equity Shares of Rs. 10 each	1,16,12,300	11,61,23,000	79,55,100	7,95,51,000
	<i>Subscribed & Paid up Share Capital</i>				
	Equity Shares of Rs. 10 each	1,09,71,600	10,97,16,000	73,14,400	7,31,44,000
	Share Forfeiture		23,28,850		23,28,850
	TOTAL SHARE CAPITAL		11,20,44,850		7,54,72,850
	(b) <i>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares</i>				
	At the beginning of the period	73,14,400	7,31,44,000	58,51,520	5,85,15,200
	Issued during the period - Bonus Issue	36,57,200	3,65,72,000		
	Issued during the period - Right Issue			14,62,880	1,46,28,800
	Outstanding at the end of the period	1,09,71,600	10,97,16,000	73,14,400	7,31,44,000

c *Terms/Rights attached to Equity Shares*

The company has only one class of equity shares having a per share value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting. During the year ended 31 March, 2013 the amount of per share dividend recognized as distributed to equity shareholders was Rs.6/- (31 March 2012 : Rs.5)

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

d *Details of shareholders holding more than 5% shares in the company*

Name of Shareholder	No.	% of total holding	No.	% of total holding
Kedia Securities Pvt.Ltd.	9,85,500	8.98%	6,57,000	8.98%
Vijay K Kedia	10,83,998	9.88%	4,13,426	5.65%
J J Chandra	8,05,303	7.34%	6,86,869	9.39%
M J Chandra	6,45,033	5.88%	4,30,022	5.88%
D J Chandra	6,33,663	5.78%	4,22,442	5.78%
H J Chandra	5,82,393	5.31%	3,88,262	5.31%

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

e *Disclosure of Aggregate number and class of shares allotted as fully paid up by way of bonus shares*

Year of Allotment	2012-13
No of Shares Allotted	36 57 200
Class of Shares	Equity Shares

4	RESERVES & SURPLUS	31.03.2013		31.03.2012	
	(a) <i>Capital Reserves</i>		30,00,000		30,00,000
	(b) <i>Security Premium Account</i>				
	Opening Balance	8,43,63,850		5,51,06,250	
	Less: Utilised for Issue of Bonus Shares	-3,65,72,000			
	Add: Securities Premium credited on Right Issue			2,92,57,600	
	Closing Balance		4,77,91,850		8,43,63,850
	(c) <i>General Reserve</i>				
	Opening Balance	2,84,21,071		1,28,30,756	
	Add: Transfer from Statement of Profit & Loss	2,59,19,087		1,55,90,315	
	Closing Balance		5,43,40,158		2,84,21,071
	(d) <i>Statement of Profit & Loss</i>				
	Opening Balance	36,96,03,378		27,17,95,439	
	Add: Profit during the year	25,91,90,867		15,59,03,146	
	Less: Proposed Dividend	-6,58,29,600		-3,65,72,000	
	Less: Tax on Proposed Dividend	-1,11,87,741		-59,32,893	
	Less: Transfer to General Reserve	-2,59,19,087		-1,55,90,315	
	Closing Balance		52,58,57,818		36,96,03,378
	TOTAL RESERVE & SURPLUS		63,09,89,826		48,53,88,299

5	DEFERRED TAX LIABILITY	31.03.2013		31.03.2012	
	<i>Deferred Tax Liability</i>				
	Depreciation	4,81,04,500		4,61,56,400	
	Product Development Cost	7,03,900		15,62,600	
			4,88,08,400		4,77,19,000
	<i>Deferred Tax Assets</i>				
	Impairment of Fixed Assets	2,98,100		2,98,100	
	Gratuity	11,32,000			
	Leave Salary	24,85,900		8,32,400	
			39,16,000		11,30,500
	NET DEFERRED TAX LIABILITY		4,48,92,400		4,65,88,500

6	OTHER LONG TERM LIABILITY	31.03.2013		31.03.2012	
	Dealer's Deposits (Unsecured)		2,57,76,000		2,04,76,000

7	(a) PROVISIONS	31.03.2013		31.03.2012	
		Long Term Provision	Short Term Provision	Long Term Provision	Short Term Provision
	<u>Provision for Employee Benefits</u>				
	Gratuity		89,58,602		54,68,032
	Leave Salary	19,34,398	57,27,434	6,18,923	19,46,697
	Sub-Total	19,34,398	1,46,86,036	6,18,923	74,14,729
	<u>Other Provisions</u>				
	Provision for After Sales Service		69,54,800		58,90,600
	Provision for PDI/WRC coupon		10,69,188		10,08,288
	Provision for Warranty Claims		1,13,03,310		72,50,212
	Provision for Finance Subvention		61,60,500		-
	Provision for Income Tax		1,06,42,893		1,63,76,614
	Provision for Wealth Tax		1,60,000		3,40,000
	Proposed Dividend		6,58,29,600		3,65,72,000
	Provision for tax on Proposed Dividend		1,11,87,741		59,32,893
	Sub-Total		11,33,08,031		7,33,70,607
	TOTAL PROVISION	19,34,398	12,79,94,067	6,18,923	8,07,85,336

(b) Provision for Gratuity

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.

<u>Net Employee Benefit Expense recognized in the employee cost</u>	31.03.2013		31.03.2012	
Current Service Cost	31,43,091		25,90,779	
Interest cost on benefit obligation	10,27,037		-	
Expected return on plan assets	-6,74,348		-	
Net actuarial (Gain)/Loss recognized in the year	29,94,791		58,77,253	
Net Benefit Expenses		64,90,570		84,68,032
Benefit asset/liability				
Present Value of defined benefit obligation	2,03,66,966		1,28,37,957	
Fair Value of Plan Assets	-1,14,08,364		-73,69,925	
Plan Asset/(Liability)		89,58,602		54,68,032
<u>Changes in the present value of the defined benefit obligation are as follows:</u>				
Opening defined benefit obligation	1,28,37,957		-	
Interest Cost	10,27,037		-	
Current service cost	31,43,091		25,90,779	
Benefit paid	-4,96,339		-14,80,460	
Actuarial (gains)/losses on obligation	38,55,220		1,17,27,638	

Closing defined benefit obligation		2,03,66,966		1,28,37,957
<i>Changes in the fair value of plan assets are as follows:</i>				
Opening fair value of plan assets	73,69,925		-	
Expected return	6,74,348		-	
Contribution by employer	30,00,000		30,00,000	
Benefits paid	-4,96,339		-14,80,460	
Actuarial gains/(losses)	8,60,430		58,50,385	
Closing fair value of plan assets		1,14,08,364		73,69,925

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.

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

Particulars	31.03.2013		31.03.2012	
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 to periods are as follows	2011-12	2010-11	2009-10	2008-09
Defined Benefit Obligation	1,28,37,957	1,12,09,434	69,29,549	41,11,665
Plan Assets	73,69,925	57,26,166	42,00,919	30,80,941

(c) Provision for Warranties

A provision is recognized for expected warranty claims for ATUL SHAKTI & ATUL SMART sold for last 6 months and for ATUL GEM sold for last 8 months, based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumption used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold. The table given below gives information about movements in warranty provisions.

At the beginning of the year	72,50,212		23,35,544	
Arising during the year	1,77,81,198		2,07,94,965	
Utilised during the year	-1,37,28,100		-1,58,80,297	
At the end of the year		1,13,03,310		72,50,212

(d) Provision for After Sales Services & WRC

At the beginning of the year	68,98,888		43,03,188	
Arising during the year	1,75,16,726		1,48,24,625	
Utilised during the year	-1,63,91,626		-1,22,28,925	
At the end of the year		80,23,988		68,98,888

8	SHORT TERM BORROWINGS	31.03.2013	31.03.2012
	Cash Credit from IDBI Bank	-	3,88,65,281

Cash Credit facilities from IDBI Bank is secured by current assets (viz. stock and book debts both current and future) of the company and hypothecation of entire fixed assets of the company and personal guarantee of some of the directors of the company.

9	TRADE PAYABLES	31.03.2013	31.03.2012
	Against Materials	20,85,16,985	12,84,38,123
	Against Capital Goods	51,36,552	5,79,421
	Against Transportation Expenses	1,48,96,597	1,03,02,404
	Others	88,91,986	1,74,76,514
	TOTAL	23,74,42,120	15,67,96,462

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 as at 31.03.13 is given below:

Particulars	31.03.2013	31.03.2012
(i) Amounts unpaid as at year end	2,99,47,557	1,19,39,647
(ii) Amounts paid after appointed date during the year	-	-
(iii) Amount of interest accrued and unpaid as at year end	-	-
(iv) Amount of interest paid during the year as per section 16	-	-

10	OTHER CURRENT LIABILITIES	31.03.2013	31.03.2012
	Investor Education and Protection Fund will be credited by following amount (as and when due)*		
	Unpaid Dividends	21,60,862	9,18,940
	Dues to Investor Education and Protection Fund	-	89,429
	Advances from Customers	90,92,912	2,52,43,245
	Statuary Dues	3,12,82,793	2,92,11,400
	Other Liabilities	59,05,525	58,17,607
	TOTAL	4,84,42,091	6,12,80,621

1.1 FIXED ASSETS													
Particulars	Land		Buildings		Plant & Machinery			Furniture & Fixtures		Vehicles		Office Equipments	TOTAL
		3.34%	1.63%	4.75%	11.31%	10.34%	4.75%	6.33%	9.50%	11.31%	16.21%		
Depreciation Rate	0%												
Gross value				V									
As at 31st March, 2011	46 59 821	8 82 49 799	1 47 53 066	26 19 94 790	11 02 75 641	8 92 66 272	7 45 147	1 18 49 764	1 47 03 436	37 13 454	1 14 36 318		61 16 47 508
Additions	-	13 52 275	-	1 20 28 967	39 85 275	-	4 57 356	4 57 356	48 13 780	18 63 645	41 79 404		2 86 80 702
Disposals	-	-	-	-8 17 652	-	-5 51 25 522	-	-	-	-	- 32 025		- 59 75 199
As at 31st March, 2012	46 59 821	8 96 02 074	1 47 53 066	27 32 06 105	11 42 60 916	3 41 40 750	7 45 147	1 23 07 120	1 95 17 216	55 77 099	1 55 83 697		58 43 53 011
Additions	-	1 62 70 729	55 98 762	3 08 70 376	1 68 30 419	-	10 57 337	10 57 337	- 7 64 468	29 04 150	24 24 922		7 59 56 695
Disposals	-	-	-	-1 09 000	-	-	-	-	-	-	- 1 17 000		- 9 90 468
As at 31st March, 2013	46 59 821	10 58 72 803	2 03 51 828	30 39 67 481	13 10 91 335	3 41 40 750	7 45 147	1 33 64 457	1 87 52 748	84 81 249	1 78 91 619		65 93 19 238
Depreciation													
As at 31st March, 2011	-	2 27 32 332	23 44 446	6 95 36 360	3 12 40 913	5 40 22 681	3 58 537	61 47 895	29 82 216	14 06 194	76 91 409		19 84 62 983
Additions	-	29 65 506	2 40 475	1 57 72 476	1 27 57 882	54 28 967	35 252	7 69 296	14 55 282	5 06 459	16 74 504		4 16 05 499
Disposals	-	-	-	-32 05 940	-	-3 75 15 737	-	-	-	-	- 4 14 934		- 4 11 36 611
As at 31st March, 2012	-	2 56 97 838	25 84 921	8 21 02 896	4 39 98 796	2 19 35 311	3 93 789	69 17 191	44 37 498	19 12 653	89 50 979		19 89 31 872
Additions	-	31 90 132	3 06 282	1 32 18 345	1 37 82 242	35 30 154	35 395	7 71 730	16 89 428	6 40 943	18 15 919		3 89 80 571
Disposals	-	-	-	- 42 146	-	-	-	-	- 1 78 477	-	- 1 17 000		- 3 37 623
As at 31st March, 2013	-	2 88 87 970	28 91 203	9 52 79 095	5 77 81 038	2 54 65 465	4 29 184	76 88 921	59 48 449	25 53 596	1 06 49 898		23 75 74 820
Impairment													
As at 31st March, 2011	-	-	-	9 18 831	-	-	-	-	-	-	-		9 18 831
Additions	-	-	-	14 688	-	-	3 03 040	3 03 040	-	-	-		3 17 728
Disposals	-	-	-	-	-	-	-	-	-	-	-		-
As at 31st March, 2012	-	-	-	9 33 519	-	-	3 03 040	3 03 040	-	-	-		12 36 559
Additions	-	-	-	-	-	-	-	-	-	-	-		-
Disposals	-	-	-	-	-	-	-	-	-	-	-		-
As at 31st March, 2013	-	-	-	9 33 519	-	-	3 03 040	3 03 040	-	-	-		12 36 559
NET													
As at 31st March, 2012	46 59 821	6 39 04 236	1 21 68 145	19 01 69 690	7 02 62 120	1 22 05 439	3 51 358	50 86 889	1 50 79 718	36 64 446	66 32 718		38 41 84 579
As at 31st March, 2013	46 59 821	7 69 84 833	1 74 60 625	20 77 54 867	7 33 10 297	86 75 285	3 15 963	53 72 496	1 28 04 299	59 27 653	72 41 721		42 05 07 859

11. FIXED ASSETS			
INTANGIBLE ASSETS	Product Development Expense	SAP	TOTAL
<i>Cost</i>			
Cost As at 31st March, 2011	1 95 09 921	-	1 95 09 921
Cost	-	74 41 718	74 41 718
Disposals	-	-	-
As at 31st March, 2012	1 95 09 921	74 41 718	2 69 51 639
Cost	-	-	-
Disposals	-	-	-
As at 31st March, 2013	1 95 09 921	74 41 718	2 69 51 639
<i>Amortisation</i>			
As at 31st March, 2011	71 53 634	-	71 53 634
Additions	39 01 980	3 58 820	42 60 800
Disposals	-	-	-
As at 31st March, 2012	1 10 55 614	3 58 820	1 14 14 434
Additions	39 01 980	14 88 348	53 90 328
Disposals	-	-	-
As at 31st March, 2013	1 49 57 594	18 47 168	1 68 04 762
<i>Net Block</i>			
At 31 March 2012	84 54 307	70 82 898	1 55 37 205
At 31 March 2013	45 52 327	55 94 550	1 01 46 877

12	NON-CURRENT INVESTMENT	31.03.2013		31.03.2012	
	Trade Investments (Valued at cost unless stated otherwise)				
	Investment in Equity Instrument (Quoted)	31,620		31,620	
	310 shares in Suzlon Energy Limited of Rs. 2 each valued at cost (market value as at 31/03/2013 is Rs.4,232/- (PY Rs.7843/-))				
	Extent of Holding	less than 1%		less than 1%	
	Non- Trade Investments (Valued at cost unless stated otherwise)				
	Government Security (Unquoted)	3,000		3,000	
	Investment in Associates (Unquoted)	1,22,60,640		1,22,60,640	
	22,96,000(previous year 22,96,000) equity shares of Rs. 10 each in Khushbu Auto Finance Limited				
	(At cost less provision for other than temporary diminution of Rs.1,06,99,360/- (PY 1,06,99,360/-))				
	Extent of Holding	49.91%		49.91%	
	TOTAL		1,22,95,260		1,22,95,260

13	LONG TERM LOANS & ADVANCES	31.03.2013		31.03.2012	
	Advances for Capital Goods (Unsecured Considered Good)	2,54,25,190		3,51,70,064	
	Security Deposit (Unsecured Considered Good)	44,48,972		35,54,166	
	Balance with Govt authority	85,97,378		71,48,977	
	TOTAL		3,84,71,540		4,58,73,207

14	INVENTORIES	31.03.2013		31.03.2012	
	Raw Material	16,51,84,589		22,65,21,189	
	Work In Progress	70,68,575		1,00,80,828	
	Finished Goods	5,72,16,330		6,16,47,813	
	TOTAL		22,94,69,494		29,82,49,830

15	TRADE RECEIVABLES	31.03.2013		31.03.2012	
	Unsecured Considered Good				
	Outstanding for more than 6 months	8,68,423		6,76,635	
	Others	7,06,49,307		6,01,32,008	
	TOTAL		7,15,17,730		6,08,08,643
	Trade Receivables includes:				
	Dues from partnership firm in which the company's directors' relative are partners	18,21,536		54,26,124	
	Dues from company in which the company's directors' relative are directors/ shareholders	-		3,72,77,631	

16	CASH & CASH EQUIVALENT	31.03.2013		31.03.2012	
	Balances with Bank				
	In Current Accounts	2,71,75,685		4,63,21,541	
	In unpaid dividend account	21,60,862		10,08,269	
	In Fixed Deposit Account	1,22,81,903		11,28,608	
	Cash on Hand	9,00,392		73,293	
	Investment in securities for maturities less than 90 days	33,82,14,142		6,51,96,958	
	TOTAL		38,07,32,984		11,37,28,669

	Balance With Current Account includes	31.03.2013		31.03.2012	
	State Bank of India - AAL Employee Super Annuation Fund A/C	9,520		9,470	
	Corporation Bank	-		10,000	
	HDFC - Current Account	15,926		3,844	
	ICICI BANK - EEFC A/c	26,86,831			
	HDFC Bank - Current Account	-		65,613	
	IDBI Bank - Current Account	25,000		3,17,30,081	
	IDBI BANK - FDOD Account	74,40,166		-	
	IDBI BANK - Cash Credit Account	94,93,307		-	
	ICICI Bank - Current Account	75,04,935		1,44,89,047	
	State Bank of India-Current A/c	-		13,486	
	TOTAL	2,71,75,685		4,63,21,541	

17	SHORT TERM LOANS & ADVANCES	31.03.2013		31.03.2012	
	Advances to be received in cash or in kind		1,28,39,389		1,65,83,912
	Advances to Suppliers	93,94,110		1,50,90,960	
	Advance to Employees	5,10,533		4,95,900	
	Pre paid Expenses	29,34,746		9,97,052	
	Balances with Govt Authority		27,62,514		27,75,518
	TOTAL		1,56,01,903		1,93,59,430

18	OTHER CURRENT ASSETS	31.03.2013		31.03.2012	
	Other assets	7,55,555		5,22,464	
	TOTAL		7,55,555		5,22,464

19	REVENUE FROM OPERATIONS	31.03.2013		31.03.2012	
	Sales of Vehicles	3,95,99,93,235		3,18,56,55,238	
	Sales of Spares	11,46,02,362		10,10,41,810	
	Less: Excise Duty	-44,59,97,606		-30,69,18,239	
			3,62,85,97,991		2,97,97,78,809
	Other Operating Revenue		98,06,269		84,58,081
	TOTAL		3,63,84,04,260		2,98,82,36,890
	Details of Product Sold				
	Atul Gem	2,18,75,03,622		1,73,28,89,860	
	Atul Shakti	1,20,90,05,300		98,15,88,477	
	Atul Smart	13,04,01,026		17,47,07,775	
	Atul Gemini	7,71,750		-	
	Spares	10,09,16,293		9,05,92,697	
	TOTAL	3,62,85,97,991		2,97,97,78,809	

20	OTHER INCOME	31.03.2013		31.03.2012	
	(a) Dividend	1,83,51,636		55,32,792	
	Gain on Sale of Mutual Fund	3,93,864			
	Gain on Revaluation of Mutual Fund	19,360			
	Interest				
	Bank FD	8,15,392		80,937	
	Dealers	-		1,86,602	
	Other Deposits	1,51,566		1,32,104	
	Profit on sale of Fixed Assets	30,000			
	TOTAL		1,97,61,818		59,32,435
	(b) Dividend includes dividend from Current Investment including investment in securities for less than 90 days.				

21	COST OF MATERIAL CONSUMED	31.03.2013		31.03.2012	
	Opening Stock	22,65,21,189		16,30,00,957	
	Purchase	2,64,99,04,527		2,37,49,89,215	
	Purchase Expenses	9,71,96,368		8,56,13,696	
	Processing Charges	2,31,11,681		2,14,67,165	
	Closing Stock	-16,51,84,589		-22,65,21,189	
	TOTAL		2,83,15,49,177		2,41,85,49,844
	Major Components of Raw Material Consumption				
	Engine	94,59,24,186		74,23,41,978	
	Tyre	20,10,14,357		14,83,31,677	
	Battery	7,04,16,131		5,07,71,344	
	Other material, Process Charge and Purchase Expenses	1,61,41,94,503		1,47,71,04,845	
	TOTAL	2,83,15,49,177		2,41,85,49,844	

22	CHANGES IN INVENTORIES OF FINISHED GOODS WORK-IN-PROGRESS AND STOCK-IN-TRADE	31.03.2013		31.03.2012	
	Work-in-process				
	Opening Stock	1,00,80,828		2,63,55,047	
	Closing Stock	70,68,575		1,00,80,828	
			30,12,253		1,62,74,219
	Finished Goods				
	Opening Stock	6,16,47,813		23,82,801	
	Closing Stock	5,72,16,330		6,16,47,813	
			44,31,483		-5,92,65,012
	TOTAL		74,43,736		-4,29,90,793

23	EMPLOYEE BENEFIT EXPENSES	31.03.2013		31.03.2012	
	Salary, Wages & Bonus	16,41,22,305		13,13,06,935	
	Directors Remuneration	1,27,26,876		88,62,007	
	Gratuity Expenses	64,90,570		29,84,764	
	Contribution to PF	1,07,12,372		95,18,173	
	Staff Welfare Exp	1,60,55,525		1,33,65,485	
	TOTAL		21,01,07,648		16,60,37,364

24	FINANCE COST	31.03.2013		31.03.2012	
	Interest Expenses	16,63,899		52,86,772	
	Interest on Income Tax	14,07,327		11,39,874	
	Bank Charges	2,52,392		2,21,555	
	Other Borrowing Cost	7,09,454		9,98,915	
	TOTAL		40,33,072		76,47,116

25	DEPRECIATION & AMORTISATION	31.03.2013		31.03.2012	
	Depreciation	3,89,80,584		3,80,10,093	
	Impairment	-		3,17,728	
	Amortisation	53,90,328		42,60,800	
	TOTAL		4,43,70,912		4,25,88,621

26	OTHER EXPENSES	31.03.2013		31.03.2012	
	(Increase)/Decrease of excise duty on Finished Goods	-2,27,177		77,30,110	
	Advertising & Sales Promotion	4,25,56,470		3,01,55,828	
	Auditor's Remuneration	11,74,614		9,74,076	
	Bonus Issue Exp	9,61,510		-	
	Communication Cost	34,06,371		32,26,384	
	Director's Sitting Fees	46,000		54,000	
	Donation	30,25,113		20,38,621	
	Exchange Rate Difference	-23,630		3,25,688	
	Freight & Forwarding Exp	74,59,023		39,73,066	
	Insurance	7,97,056		4,93,772	
	Legal & consultancy Charges	38,99,292		57,86,946	
	Office Admin Exp	39,68,572		39,15,813	
	Other misc exp	52,69,910		21,96,563	
	Power & Fuel	1,81,80,507		1,80,22,836	
	Printing & Stationary	30,70,016		17,39,333	
	Rates and taxes	7,20,594		7,26,865	
	Rent	33,05,873		25,56,073	
	Repairs to buildings	58,81,007		32,15,312	

26	OTHER EXPENSES	31.03.2013		31.03.2012	
	Repairs to Machinery	1,01,58,767		1,58,26,148	
	Repairs to Others	1,33,44,178		88,07,858	
	Research & Development Exp	8,02,813		2,21,133	
	Right Issue Exp	50,000		10,93,411	
	Travelling & Conveyance	2,71,74,987		2,24,33,133	
	Vehicle Exp	14,73,602		12,70,197	
	Warranty & After Sales Services	3,15,27,265		3,33,25,996	
	Windmill Operation Charges	4,57,376		10,59,125	
	TOTAL		18,84,60,109		17,11,68,288

Auditor's Remuneration includes

For Audit Fee	7,00,000		6,00,000	
For Limited Review	75,000			
For Taxation matters	3,50,000		3,60,500	
Other Matters	17,500			
Reimbursement expense	32,114		13,576	
TOTAL		11,74,614		9,74,076

27	EXCEPTIONAL ITEMS	31.03.2013		31.03.2012	
	Provision for diminution in investment	-		1,06,99,360	
	Profit on sale of windmill	-		-1,19,79,914	
	TOTAL		-		-12,80,554

28	TAX EXPENSES	31.03.2013		31.03.2012	
	Current Tax	11,84,54,000		8,41,44,000	
	Tax of Earlier years	-37,47,343		-1,16,937	
			11,47,06,657		8,40,27,063
	Deferred Tax		-16,96,100		-74,80,770
	TOTAL		11,30,10,557		7,65,46,293

29	EARNING PER SHARE	31.03.2013		31.03.2012	
	BEFORE BONUS				
	Net profit as per P & L	25,91,90,867		15,59,03,146	
	No. of Shares	73,14,400		62,93,403	
	TOTAL		35.44		24.77
	AFTER BONUS				
	Net profit as per P & L	25,91,90,867		15,59,03,146	
	No. of Shares	1,09,71,600		94,40,105	
	TOTAL		23.62		16.51

30	CONTINGENT LIABILITIES NOT ACKNOWLEDGE AS DEBT	31.03.2013		31.03.2012	
	Sales Tax	78,02,531		2,02,531	
	CST	11,83,791		11,83,791	
	Excise Duty	17,84,610		17,84,610	
	Service Tax	4,74,336		4,74,336	
	Income Tax	1,00,85,833		69,45,763	
	PGCVL	23,46,556			
	Case Pending before Consumer Forum	32,42,415		33,36,665	
	Case filed by investor for non allotment of right issue shares	13,46,259			
	Case filed by the Supplier in the Court	11,17,29,796		11,17,29,796	
	TOTAL		13,99,96,127		12,56,57,492

31	ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNTS AND NOT PROVIDED FOR	31.03.2013		31.03.2012	
	For purchase of Residential Property	46,30,180		35,36,343	
	Others	96,64,334		8,17,34,893	
	TOTAL		1,42,94,514		8,52,71,236

32	UTILISATION OF MONEY REALISED THROUGH PUBLIC ISSUE	31.03.2013		31.03.2012	
	During the year ended on March 31, 2012 the company has raised Rs.4,38,86,400/- through Right Issue. The details of utilisation of the fund are as below				
	Right Issue Expenses	-		15,00,000	
	Business Expansion in few states	-		1,00,00,000	
	Repayment of Term Loan	-		3,23,86,400	
	TOTAL		-	4,38,86,400	

33	VALUE OF IMPORT ON CIF BASIS	31.03.2013		31.03.2012	
	Purchase of Raw material		1,38,132		2,74,401
	Other Spares		-		-

34	Expenditure in foreign currency (accrual basis)	31.03.2013		31.03.2012	
	Travelling		26,97,471		22,00,323

35	Net dividend remitted in foreign exchange	31.03.2013		31.03.2012	
		Period for which it relates		2010-11	
	Period for which it relates		2011-12		2010-11
	No. of Non Resident Shareholders		2		25
	No. of Equity Shares held on which dividend was due		36,000		1,99,360
	Amount Remitted		1,80,000		7,97,440

36	Earnings in foreign currencies	31.03.2013		31.03.2012	
			Export at F.O.B. Value of vehicle and spares		3,04,50,263
	Technical service income		33,13,883		-

37	CONSUMPTION	31.03.2013		31.03.2012	
		Amount	%	Amount	%
	Imported	1,38,132	0.005%	2,74,401	0.01%
	Indigenous	2,83,14,11,045	99.995%	2,41,82,75,443	99.99%
	Total	2,83,15,49,177	100%	2,41,85,49,844	100%

38 RELATED PARTY DISCLOSURE		
(a)	Name of Related Parties	
	Associate Company	Khushbu Auto Finance Limited
	Key Management Personnel	J J Chandra Mahendra J Patel Niraj J Chandra Chairman & Managing Director Whole time Director Whole time Director
	Enterprises owned or significantly influenced by key personal management or their relatives	Atul Auto Agency Atul Auto Industries Atul Automotives Atul Motors Pvt. Ltd. Atul Petroleum Khushbu Auto Private Limited New Chandra Motor Cycle Agency New Chandra Motor Cycle House

38	RELATED PARTY DISCLOSURE	31.03.2013	31.03.2012
(b)	Transaction with Related Parties		
	Enterprises owned or significantly influenced by key personal management or their relatives		
	Sales (inclusive of tax)	49,99,96,589	46,98,56,948
	Purchase (inclusive of tax)	2,86,517	3,26,78,576
	Warranty Claims/After Sales Service/PDI/WRC Charges	17,99,192	14,00,501
	Sales Incentive & Promotion	1,46,500	1,13,750
	R & D exp	16,762	51,790
	Purchase of Fixed Assets	1,50,000	
	Vehicle Repairing Exp	89,908	1,23,061
	After Sales Service Receivable	13,200	10,400
	Reimbursement	2,51,395	9,641
	Key Managerial Personnel		
	Remuneration	1,27,26,876	86,67,742
	Reimbursement	13,92,900	10,92,876
	TOTAL	1,41,19,776	97,60,618
	Relatives of Key Managerial Personnel		
	Remuneration	5,62,500	831699
	Reimbursement	11259	256988
	TOTAL	5,73,759	1088687
(c)	Balance outstanding as at the end of the Year		
	Receivable	Enterprise owned or significantly influenced by key management personnel or their relatives	18,21,536
	Payable		4,86,19,486
	Equity Capital Contribution	Associate	23,23,816
			2,29,60,000
	Disclosure in respect of Material Transaction with Related Parties		
	Sales of Goods	Khushbu Auto Private Limited	44,48,73,053
		New Chandra Motor Cycle Agency	42,78,12,426
		New Chandra Motor Cycle House	4,95,10,100
			3,46,90,111
			56,13,436
			72,01,397
	Purchase of Goods	New Chandra Motor Cycle House	4,32,606
			1031290
	Warranty Claim /After Sales Service Payable/PDI/WRC Charges	Khushbu Auto Private Limited	1538008
		New Chandra Motor Cycle Agency	1286831
			261184
			107790

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

Prashant Maharishi,
Partner
M. No. 41452
Signed at Rajkot on 18th May, 2013

For and on behalf of Board

Chandra J J
Chairman and Managing Director

Patel M J
Whole Time Director

Purvi P Mehta
Company Secretary

ATUL AUTO LIMITED

ECS Mandate Form

I hereby authorized 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. Share holder's Name : _____
 (In Block Letters) (First holder)
 :
 (Joint holder, if any)
2. Folio Number/DP ID : _____
 and Client Id No.
3. Number of Shares held : _____
4. Name of the bank : _____
5. Branch name and address : _____
6. Account Type : SB A/c [] Current A/c [] Others []
 [Mark 'X' in the approximate box] (please specify)
7. Bank Account number : _____
8. IFSC Code : _____
9. Nine digit MICR code number of the account : _____
 and branch code appearing on the cheque

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.

Date: _____

 (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:

Date : _____

 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 verifying of the code number.

Attendance Slip & Proxy Form

Atul Auto Limited

Registered Office: National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot-360024, Gujarat.
PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint Share Holders may obtain additional Slip at the venue of the meeting.

DP ID*	
Client ID*	

Master Folio No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER: _____

I hereby record my presence at the 25th ANNUAL GENERAL MEETING of the Company held on Tuesday, July 16, 2013 at 11 : 00 AM at the registered office of the Company.

Signature of shareholder/proxy

*Applicable for investors holding Shares in electronic form.

Proxy Form

Atul Auto Limited

Registered Office: National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot-360024, Gujarat

DP ID*	
Client ID*	

Master Folio No.	
------------------	--

I/We _____ of _____ being a member/members of Atul Auto Limited hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and on my/our behalf at the 25th Annual General meeting of the company to be held on Tuesday, July 16, 2013 at 11:00 AM and any adjournment thereof.

** I wish my above proxy to vote in the manner as indicated in the box below:

Resolutions	For	Against
1. Adoption of Accounts, report of board of Directors and Auditors.		
2. Declaration of Dividend on Equity		
Re-appointment of Following Directors Retiring By rotation:		
3. Mahendra J Patel		
4. Niraj J Chandra		
5. Appointment of Auditor		
Appointment of following Additional Directors as Director:		
6. CA S T Shah		
7. CA Hemantkumar J Bhatt		
8. Hasmukh H Adhvaryoo		
9. Re-appointment and revision of remuneration of J J Chandra as the Chairman & Managing Director		
10. Re-appointment and revision of remuneration of M. J. Patel as the Whole time Director		
11. Revision of remuneration of N. J. Chandra, Whole time Director		

Signed this _____ day of _____ 2013

Signature

* Applicable for investor holding shares in electronic form.

NOTE :

- The proxy, to be valid, should be deposited at the registered office of the company at National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot-360024, Gujarat not less than 48 hours before the time fixed for holding the meeting or adjourned meeting.
- A proxy need not be a member of the company.
- ** This is only optional. Please put an X in the appropriate column against the resolutions indicated in the box. If you leave the 'For' and 'Against' column blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate. Should you so desire, you may also appoint the chairman or the company secretary of the company as your Proxy, who shall carry out your mandate as indicated above in the event of a poll being demanded at the meeting.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



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ATUL AUTO LTD.



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