

ONE DIRECTION»»



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# ONE DIRECTION

WE ARE GEARED FOR THE FUTURE WITH  
SMART GROWTH IN OUR SIGHT.

WE ARE CONSISTENTLY RAISING THE BAR  
AND SURPASSING OUR OWN TARGETS.

WE ARE SETTING NEW RECORDS  
EVERYDAY, ENHANCING OUR PRESENCE  
WITHIN THE INDUSTRY.

WE ARE CHALLENGING THE BOUNDARIES  
OF OUR OWN CAPABILITIES TO CREATE  
NEW OPPORTUNITIES.

WE ARE TREADING NEW MARKET  
FRONTIERS AND CREATING ECONOMIES  
OF SCALE IN OUR CAPABILITIES.

WE ARE SETTING GOALS THAT WILL MAKE  
US LEADERS AMONGST OUR PEERS.

WE ARE AIMING TO BE THE MASTERS OF  
VALUE CREATION, BY BEING MASTERS OF  
OUR SPACE.

# About Us

WE ARE ONE OF INDIA'S FASTEST GROWING, PURE-PLAY 3-WHEELED COMMERCIAL VEHICLE MANUFACTURING COMPANY. WE ARE THE MAKERS OF "ATUL SHAKTI", "ATUL GEM", "ATUL SMART" AND "ATUL GEMINI" BRANDS OF 3-WHEELERS. WE HAVE AN INTEGRATED MANUFACTURING FACILITY AT SHAPAR IN THE RAJKOT DISTRICT OF GUJARAT, WITH AN INSTALLED PRODUCTION CAPACITY OF 48,000 VEHICLES PER ANNUM ON A SINGLE SHIFT BASIS.



We manufacture 3-wheelers in the "sub 1-tonne" category, targeting the passenger and cargo segment. In the passenger segment, we make the Diesel & CNG powered vehicle for carrying 3-6 passengers. Under the cargo segment, we manufacture vehicles with a rated carrying capacity of 0.5 tonne.

We are growing consistently, defying all market hurdles. Our market share is increasing constantly on account of a diversified product mix, improvement in capacity utilisation, rising penetration in semi-urban and rural areas and expanding geographical reach.

## State-of-the-Art Facilities

- Manufacturing plant based at Rajkot in Gujarat with a capacity of 48,000 units per annum
- New manufacturing plant coming up at Ahmedabad with a capacity of 60,000 units per annum

## Increasing Proximity

- Pan-India footprint with 200 Exclusive Dealers and 120 Sub-Dealers
- Extensive penetration with 17 Regional Offices and 3 Training Centres in 18 States and 200 Cities in India
- Exports to Bangladesh, Nigeria, Kenya, Egypt, Tanzania and other African nations

## Benchmarked Certifications

- Quality management systems

# Corporate Information

## Board of Directors

**Jayantibhai J. Chandra**  
*Chairman and Managing Director*

**Mahendrakumar J. Patel**  
*Whole Time Director & CFO*

**Niraj J. Chandra**  
*Whole Time Director*

**Vijay K. Kedia**  
*Non-Executive Director*

**CA Hemantkumar J. Bhatt**  
*Independent Director*

**CA Subodhchandra T. Shah**  
*Independent Director*  
(Upto May 9, 2015)

**Hasmukh H. Adhvaryoo**  
*Independent Director*

**Hakubhai J. Lalakiya**  
*Independent Director*

**Dr. Margie S. Parikh**  
*Independent Director*  
w.e.f. January 19, 2015

## Audit Committee

CA Subodhchandra T. Shah, *Chairman*<sup>1</sup>  
CA Hemantkumar J. Bhatt, *Member/Chairman*<sup>2</sup>  
Hakubhai J. Lalakiya, *Member*  
Dr. Margie S. Parikh, *Member*<sup>3</sup>

## Nomination and Remuneration Committee

Hasmukh H. Adhvaryoo, *Chairman*  
CA Subodhchandra T. Shah, *Member*<sup>1</sup>  
Hakubhai J. Lalakiya, *Member*  
Dr. Margie S. Parikh, *Member*<sup>3</sup>

## Stakeholders Relationship Committee

Dr. Margie S. Parikh, *Chairperson*<sup>3</sup>  
CA Hemantkumar J. Bhatt, *Chairman/Member*<sup>2</sup>  
CA Subodhchandra. T. Shah, *Member*<sup>1</sup>  
Hasmukh H. Adhvaryoo, *Member*

## CSR Committee

Jayantibhai J. Chandra, *Chairman*  
Hakubhai J. Lalakiya, *Member*  
Hasmukh H. Adhvaryoo, *Member*

## Statutory Auditors

Maharishi & Co.  
Chartered Accountants

## Company Secretary and Compliance Officer

Paras J. Viramgama

## Registered Office & Manufacturing Facility

Survey No. 86, Plot No. 1-4  
National Highway 8-B  
Near Microwave Tower  
Shapar (Veraval)  
Dist. Rajkot – 360 024, Gujarat, India.  
Phone: 02827-666 000  
E-Mail: investorrelations@atulauto.co.in/info@atulauto.co.in  
Website: www.atulauto.co.in

## Registrars & Share Transfer Agent

Sharex Dynamic (India) Private Limited  
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

IDBI Bank Limited

## Stock Exchange

BSE Limited  
Script Code – 531795

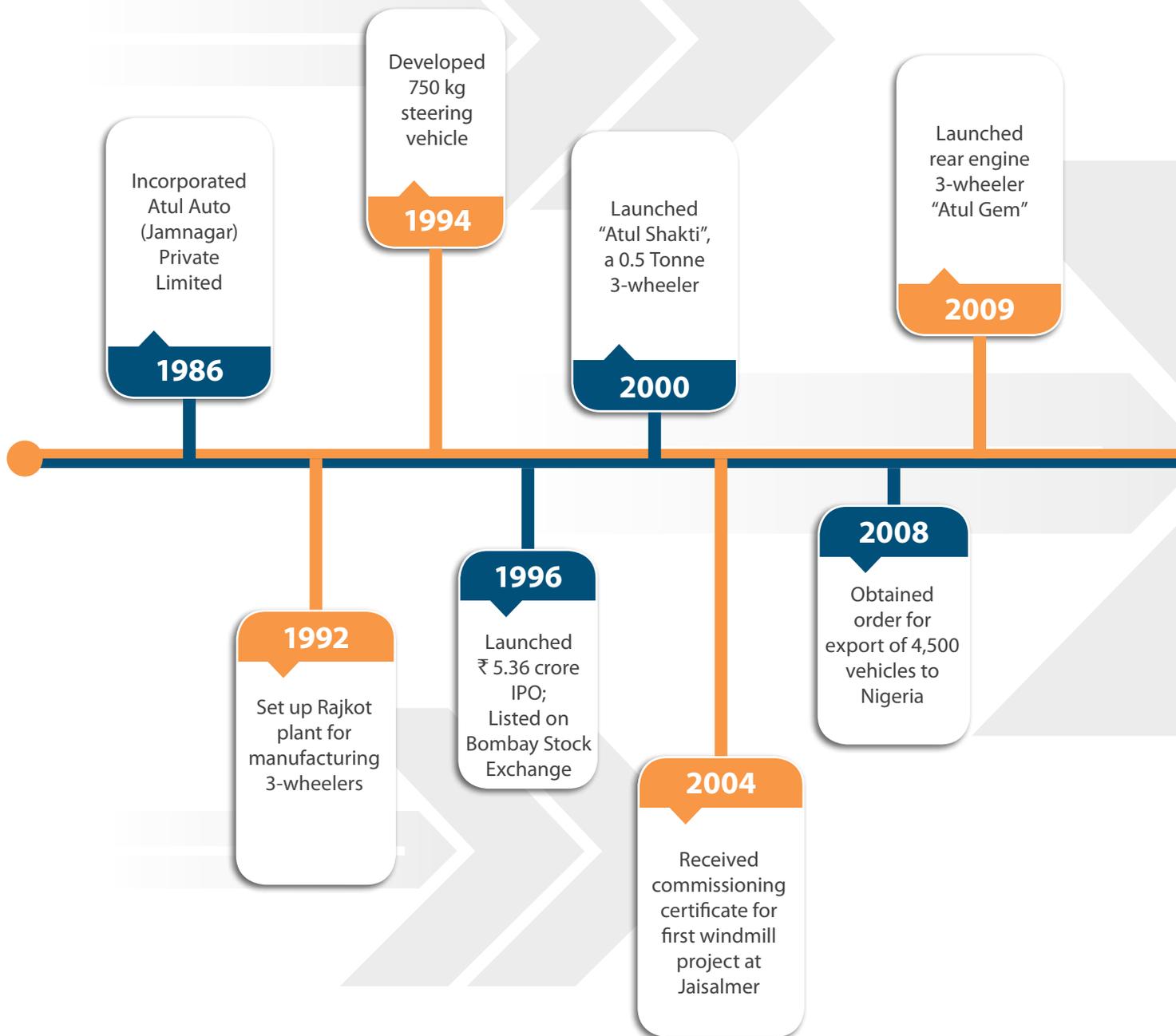
National Stock Exchange of India Limited  
Script Symbol – ATULAUTO

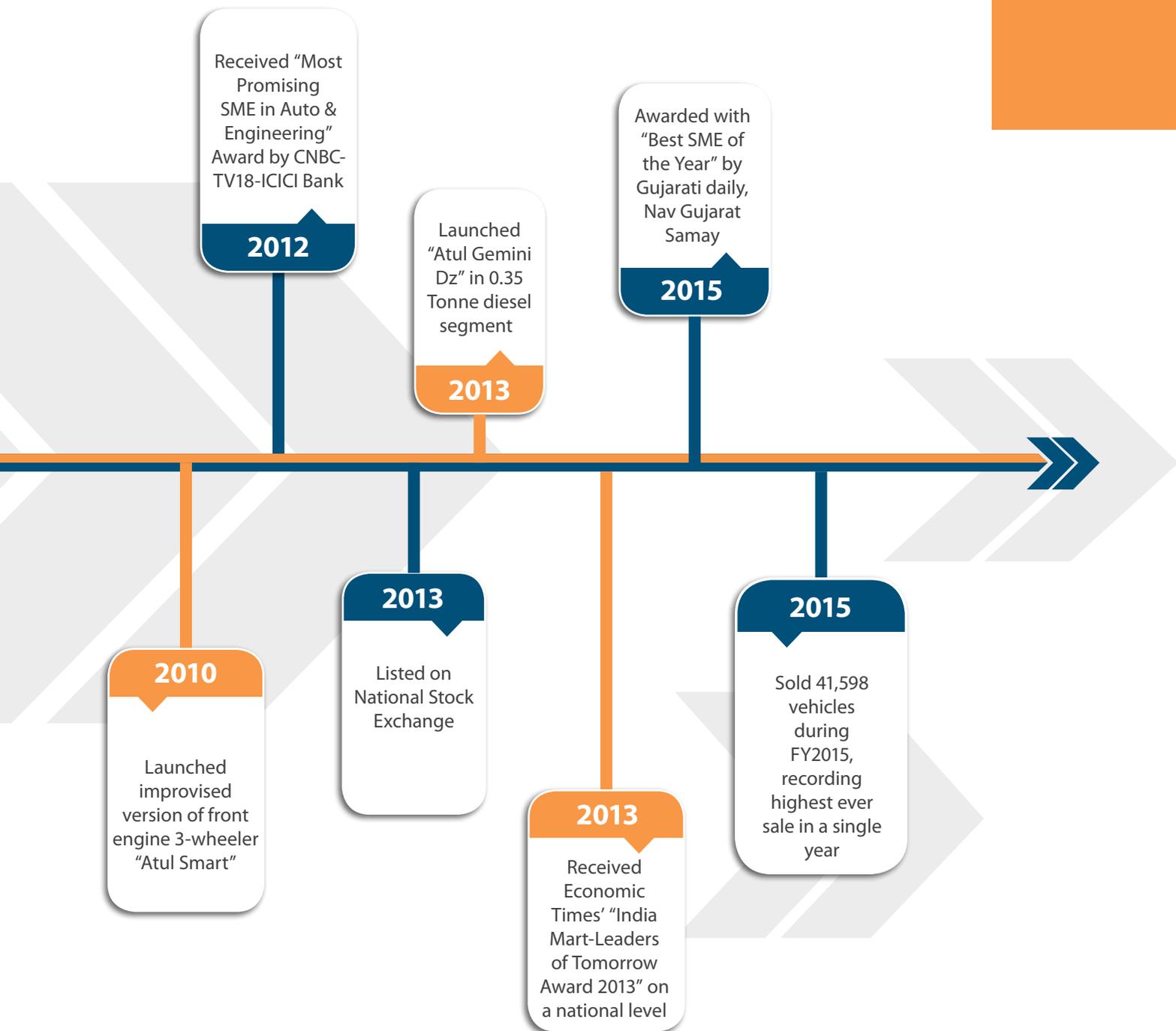
1. CA Subodhchandra T. Shah was holding respective positions in the Board Committees upto May 9, 2015.
2. Change in position of CA Hemantkumar J. Bhatt on reconstitution of Board Committees with effect after May 9, 2015.
3. Dr. Margie S. Parikh has been inducted to the Board Committees with effect after May 9, 2015.



# How Our Story Unfolded

CONSTANT EVOLUTION REPRESENTS THE KEY FUEL THAT HAS BEEN POWERING OUR ORGANISATION SINCE INCEPTION. WITH THIS, WE ARE BUILDING ON A STRONG MOMENTUM TO CONQUER UNEXPLORED FRONTIERS OF MARKET LEADERSHIP AND CORPORATE EXCELLENCE.





# The World of Atul Auto

ONE DIRECTION

## VISION

THE STORY OF ATUL AUTO BEGAN WITH A SIMPLE VISION – THAT OF AN EMPOWERED INDIA. WE ARE COMMITTED TO PROVIDE WORLD-CLASS MOBILITY SOLUTIONS TO RURAL AND SEMI-URBAN AREAS, WITH A RENEWED FOCUS ON EXPANDING OUR FOOTPRINT.

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

# MISSION

OUR MISSION IS TO FULFILL OUR CUSTOMERS' NEEDS AND ASPIRATIONS FOR MOBILITY AND SOLIDITY AND TO SET BENCHMARKS IN TECHNOLOGY, STYLE AND QUALITY.

We devote ourselves to cater to the common man's transportation needs by introducing environment-friendly vehicles, empowered by technological advances.

## WE BELIEVE IN

- Creating and sustaining powerful brands
- Delivering excellence through resource optimised manufacturing
- Ensuring customer and shareholder delight
- Creating and delivering value through seamless and efficient supply chain
- Creating enduring relationships with dealers, partners and suppliers
- Providing an engaging environment for employees



# Our Product Portfolio



Front Engine  
Delivery Van  
500 kg Payload Capacity



Front Engine  
Passenger 3+1  
500 kg Payload Capacity



Front Engine  
High Deck  
500 kg Payload Capacity



Front Engine  
High Deck  
500 kg Payload Capacity



Front Engine  
Passenger 6+1  
500 kg Payload Capacity



Front Engine  
Delivery Van  
500 kg Payload Capacity

## ATUL // GEM



Rear Engine  
Passenger 3+1  
500 kg Payload Capacity

## ATUL // Gemini-Dz



Rear Engine  
Passenger 3+1  
350 kg Payload Capacity



Rear Engine  
Delivery Van  
500 kg Payload Capacity



Rear Engine  
Cargo  
500 kg Payload Capacity

### WHAT MAKES US STAND APART

- Excellent Mileage
- Robust and Built-to-Last Products
- Practically Maintenance Free
- Versatile line of Products
- Easy to Operate
- Lowest cost of long-term Ownership

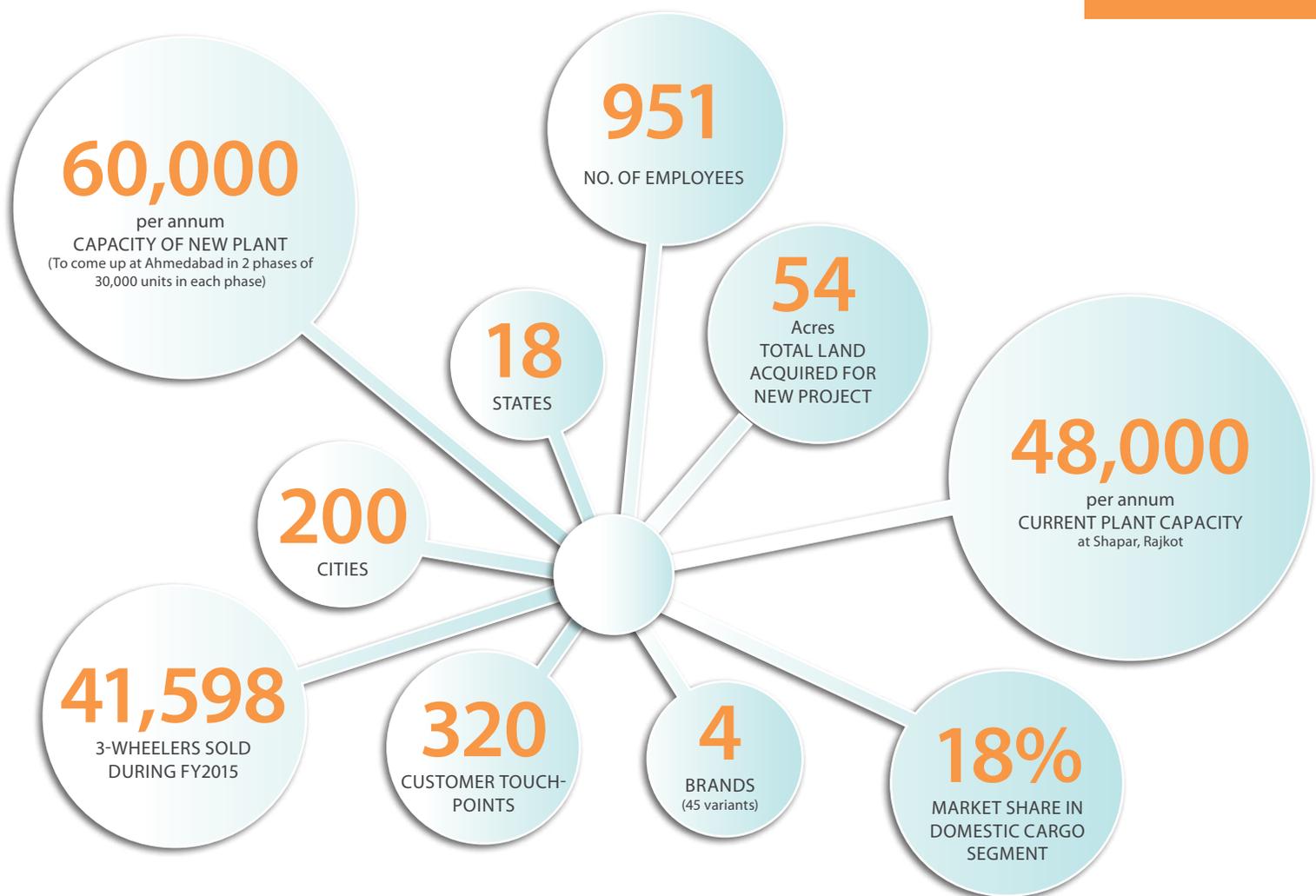
# Our Evolution

AFTER AN EVOLUTION OF FOUR DECADES WHICH INVOLVED STAGES OF DEVELOPMENT AND GROWTH, WE HAVE NOW ENTERED THE MOST CRUCIAL AND EXCITING PHASE OF OUR JOURNEY. WE ARE FIRMLY AND RAPIDLY BUILDING OUR FUTURE WITH STURDY MOBILITY SOLUTIONS. AND WE EXPECT OUR GOOD PERFORMANCE TO CONTINUE IN THE COMING YEARS.



# At a Glance

OUR EXPORT VOLUME HAS WITNESSED A SHARP INCREASE AT 1,464 VEHICLES, ALMOST THREE TIMES OF 585 VEHICLES SOLD A YEAR BEFORE. OUR SHARE OF EXPORTS IN TOTAL SALES IS LIKELY TO INCREASE IN FUTURE AS OUR PRODUCTS ARE WELL APPRECIATED OVERSEAS. WE ENVISAGE OUR COMMENDABLE FINANCIAL PERFORMANCE TO CONTINUE IN THE COMING YEARS.



# Our Presence

WE ARE CONTINUOUSLY INTRODUCING NEW PRODUCTS ACROSS THE 3-WHEELER SEGMENT, ENTERING NEW MARKETS AND ALSO CONSOLIDATING OUR PRESENCE IN THE EXISTING MARKETS. WE HAVE IDENTIFIED AND ARE MAKING A FORAY INTO POTENTIAL INTERNATIONAL MARKETS AND UNEXPLORED GEOGRAPHIES AND ALSO SPRUCING UP OUR SALES NETWORK IN OUR EXISTING EXPORT MARKETS.





Manufacturing Plant  
@ Shapar,  
Dist.Rajkot

17  
Regional Offices

Bangladesh

200  
Primary  
Dealerships

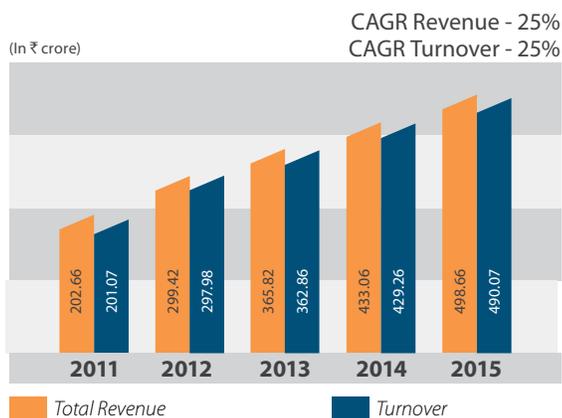
3  
Training Centres

INDIA

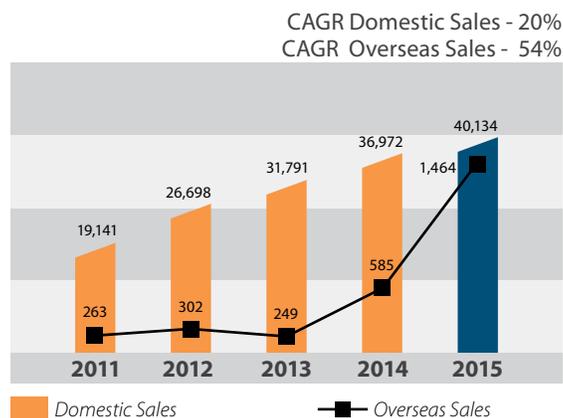
# Financial Highlights

WITH STRONG BALANCE SHEET AND ROBUST RETURN RATIOS, WE HAVE EMERGED AS THE FASTEST GROWING 3-WHEELER COMPANY, WITH DOUBLE-DIGIT GROWTH AND CONSISTENT GAINS IN OUR DOMESTIC MARKET SHARE.

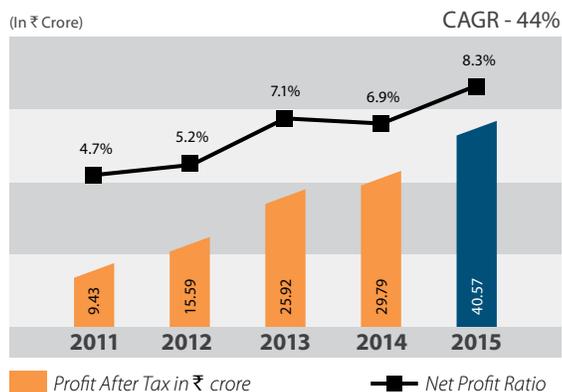
## Turnover



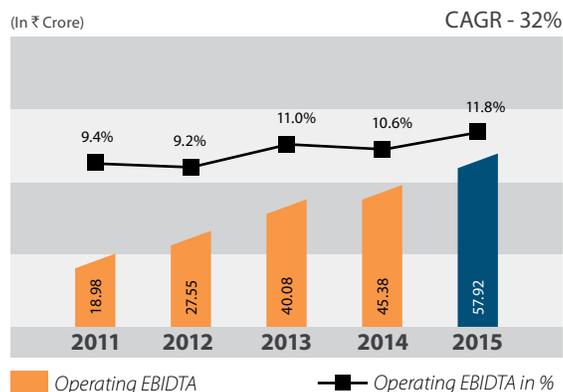
## Domestic and Overseas Sales



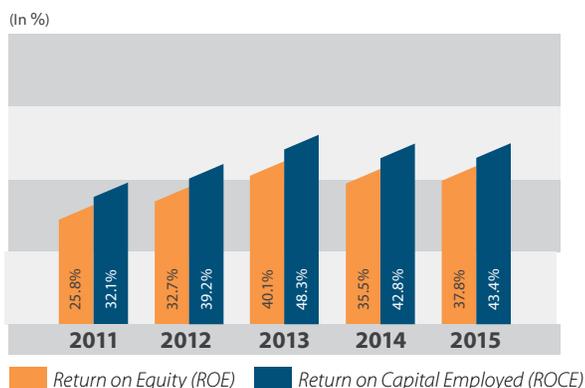
## Profit After Tax



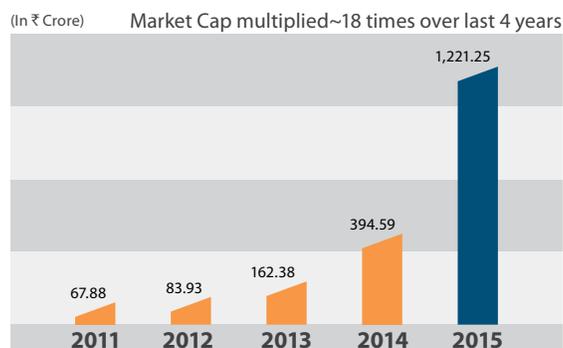
## Operating EBIDTA



## ROE and ROCE



## Market Capitalisation



# Operational Highlights



## Sales

- Recorded sale of 41,598 units, compared to 37,557 units, highest ever in any Financial Year
- Registered sale of 4,302 vehicles in October 2014, highest ever in a single month
- Exported 1,464 units, compared to 585 units in FY2014
- Reached 320 Dealership Touch-points pan-India (200 Primary, 120 Sub-Dealers)

## Financial Highlights

- Recorded highest ever sales of ₹ 490 crore vis-à-vis ₹ 429 crore in FY2014
- Recorded operating income of ₹ 579 crore, as compared to ₹ 454 crore in the previous year
- Total revenue grew by 15% at ₹ 499 crore
- Profit after Tax increased by 36% to ₹ 41 crore
- Achieved 10.76% growth in Volume and 14.11% in Turnover

## New Geographies

- Initiated sale in key metro cities of Mumbai, Delhi and Bangalore
- Added geographies of South Africa and Nigeria in overseas markets

## Production

- Reached capacity utilisation of over 85%
- Peaking > 4,000 in October 2014

## Capacity Building

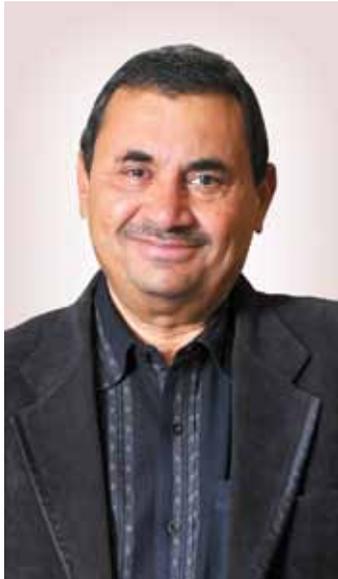
- Acquired 54 acres of land parcel, 4 times the size of our existing Rajkot plant
- In the process of building a highly streamlined Greenfield capacity of 60,000 units per annum in two phases of 30,000 units each at Ahmedabad

## Awards

- Was Awarded "Best SME Company 2015" by Nav Gujarat Samay



# Our Management Team



**J J CHANDRA**  
Chairman & Managing Director



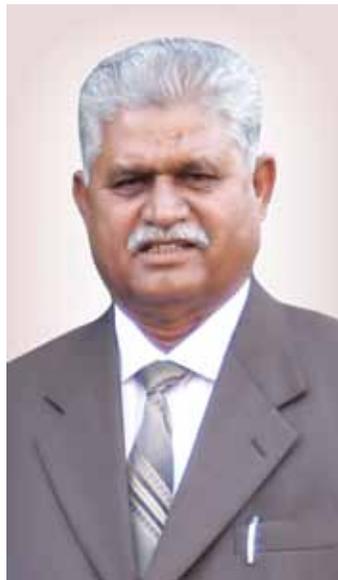
**M J PATEL**  
Whole time Director & CFO



**N J CHANDRA**  
Whole time Director



**V K KEDIA**  
Non-Executive Director



**ADV. H J LALAKIYA**  
Independent Director



**H H ADHVARYOO**  
Independent Director



**CA H J BHATT**  
Independent Director



**CA S T SHAH**  
Independent Director



**Dr. MARGIE S. PARIKH**  
Independent Director



**J V ADHIA**  
President Accounts  
& Finance



**P ZACHARIAH**  
President Sales  
& Marketing



**A PADMANABHAN**  
Mentor



# Chairman's Communique



J. J. Chandra, Chairman & Managing Director

## Dear Shareholders,

FY2014-15 sped past as a cheerful moment of energy and enthusiasm. It was indeed an excellent year in which we not only accelerated ahead with great confidence, but also put our strategies into top gear for a high-velocity ride across familiar and unfamiliar territories.

Today, we are steady and solid. We enjoyed the ride during the year, supported by our strategies in play – foray into newer geographies, capacity expansion, technological advancements and stronger brand brand visibility. With a continuous focus on innovation and quality, we are travelling faster than ever before – countering headwinds and seizing opportunities.

## Financial Performance

Over the last few years we have made considerable improvement to our business. Our financial

performance is indeed a source of pride. We recorded the highest sales, exports and profits from operations ever, amidst a highly competitive market. In a nutshell, the year was that of increased profitability.

We recorded sale of 41,598 vehicles during the year, a rise of 10.80% over the previous year, recording a CAGR growth of 21% between FY2011-15. Turnover jumped to ₹ 490 crore in FY2015, up 24.95% over ₹ 429 crore in FY2014. Revenues at ₹ 498.66 crore were 15% higher than the earlier year, whereas Profit After Tax jumped 36.20% at ₹ 40.57 crore – CAGR growth of 44% between FY2011-15.

We are also pleased with our EBITDA margin. In a year of economic challenges, it was creditable to have earned a 11.82% operating EBITDA margin. A diversified product portfolio, engineering capabilities, cost control on raw materials and overall productivity improvement has led to this profitability. We hope to do even better in the years to come.

## One Direction

At Atul Auto, we are moving in One Direction – Upwards – and witnessing growth on key fronts. We are aiming to be the masters of value creation, by being the leaders in our area of expertise. We are challenging the boundaries of our capabilities to create new opportunities. We are treading new market frontiers and creating economies of scale in our capabilities. We are setting goals that will make us leaders amongst our peers.

## Year Under Review

Our integrated manufacturing facility, focus on expansion, product development, customer centric approach and enduring relationships with dealers stood us in good stead. Having forayed into the key metros of Mumbai, Delhi and Bengaluru, we have devised our expansion plan meticulously to further increase market share. Besides adding South Africa and Nigeria, we are now looking to expand into more markets. In addition to this, we are expanding our manufacturing capacity and lining up improved products. Our new variant equipped with petrol and CNG engine will be launched in FY2016 and shall be our next growth trigger.

## Moving Forward

In the year ahead, we are propelled towards a new dimension of excellence. We are focusing on driving sales of profitable products in our portfolio. Our focus is also on improvement in our operating efficiencies, enabling deeper customer centricity, emphasis on product-process excellence and financial stewardship. For our customers, this simply means a wider choice of products at competitive prices, greater proximity and higher convenience for purchase. On the other hand, for the 3-wheeler industry, this improvement will signify higher maturity and professionalism.

## New Journey

We are embarking on a brand new journey with enormous possibilities and a singular commitment to delight the customer. We are prepared to face

the future with courage and optimism through new product launches and marketing initiatives. Going forward, we shall leverage the existing capabilities and build new competencies. We will develop new and cutting-edge products, expand our footprint and set new industry benchmarks.

## OUR FOCUS IS ON IMPROVEMENT IN OUR OPERATING EFFICIENCIES, ENABLING DEEPER CUSTOMER CENTRICITY, EMPHASIS ON PRODUCT-PROCESS EXCELLENCE AND FINANCIAL STEWARDSHIP.

We are happy to have received the unflinching support of our financiers, the leading Non-Banking Finance Companies and banks for offering loans to customers. It is this support that enables them ownership of Atul Auto vehicles, besides facilitating new livelihoods.

We take this opportunity to warmly welcome our new Director Dr. Margie Parikh, who has joined the Board in FY2015. We are also thankful to Mr. S. T. Shah for guiding the Company for many years. We take a note of his valuable contribution as an Independent Director. We are grateful to our customers, dealers, vendors and employees for their support. We also thank the leadership team which continues to work hard on behalf of our shareholders.

With warm regards,

**Jayantibhai J. Chandra**

Chairman & Managing Director

## Our Key Focus Areas

# ENTERING NEWER GEOGRAPHIES



Nigeria

South Africa

OUR CORE STRENGTH LIES ON DEEP MARKET PENETRATION. WE HAVE A WELL-ENTRENCHED PRESENCE IN 18 INDIAN STATES AND 6 COUNTRIES, SUPPORTED BY OUR PROLIFIC RANGE OF PRODUCTS. MOVING FORWARD, WE SEEK TO ENTER NEW MARKETS AND ARE TRAVELLING FURTHER INTO UNEXPLORED TERRITORIES AND GEOGRAPHIES - BOTH WITHIN INDIA AND OVERSEAS. OUR FOCUS WILL CONTINUE TO BE TO ENTER NEW MARKETS AND CONSOLIDATE OUR PRESENCE IN THE EXISTING ONES.

### India

While Gujarat, Rajasthan, Bihar and Orissa are our largest markets, during the year under review we made a significant foray into the key metro markets of Mumbai, Delhi and Bengaluru. We are gearing up to penetrate further into a number of small pockets in the space.

Our dealership network covers the most important markets within India. Currently, we sell and support our products through 320 showrooms, comprising of 200 showrooms operated by primary dealers and 120 by secondary dealers. Our objective is to grow this channel base by 25-50 dealers each year, with a special focus on establishing new dealerships in some emerging towns of India such as Kota, Alwar, Bikaner, Jaipur and Nanded. A key highlight of FY2015 has



been the appointment of 500 new first-level technicians within our rural markets. These technicians, called "Atul Sahay", are responsible for providing direct technical assistance in the servicing and maintenance of our vehicles.

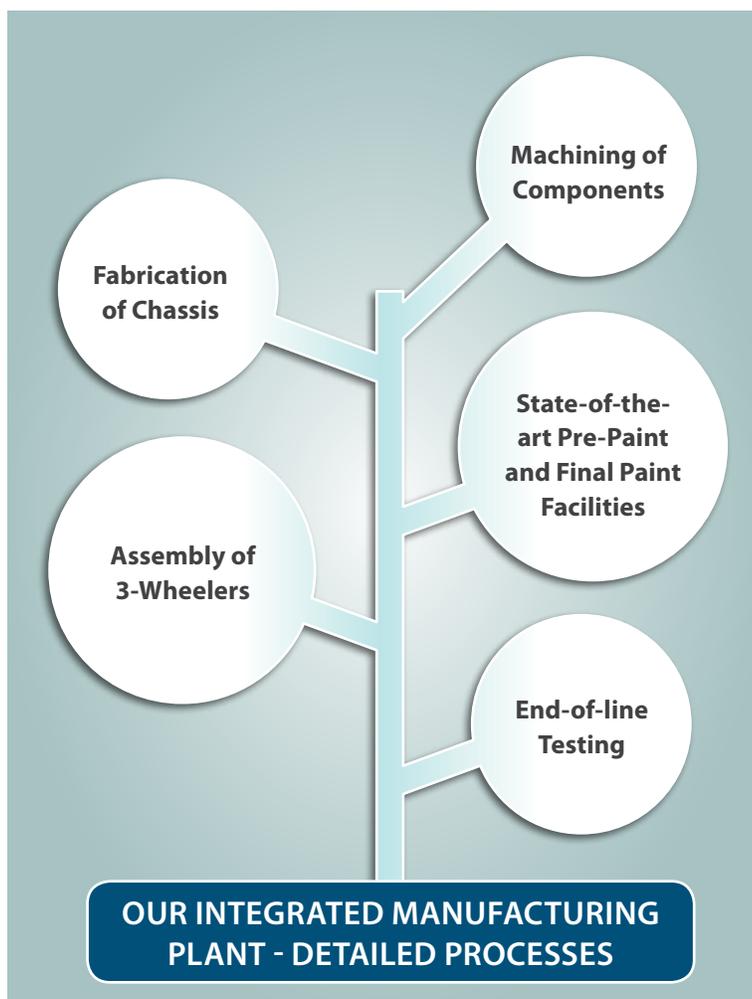
### Global Markets

Addressing the demand for our vehicles in global markets, we have established a strong presence in important territories, namely Bangladesh, Kenya, Tanzania, Mozambique and Jamaica. During the year, we made inroads into the key markets of South Africa and Nigeria. As we move ahead, our strategy will be to continue our penetration in several key markets by introducing new models and also new variants of the existing models across the 3-wheeler segment.



## Our Key Focus Areas

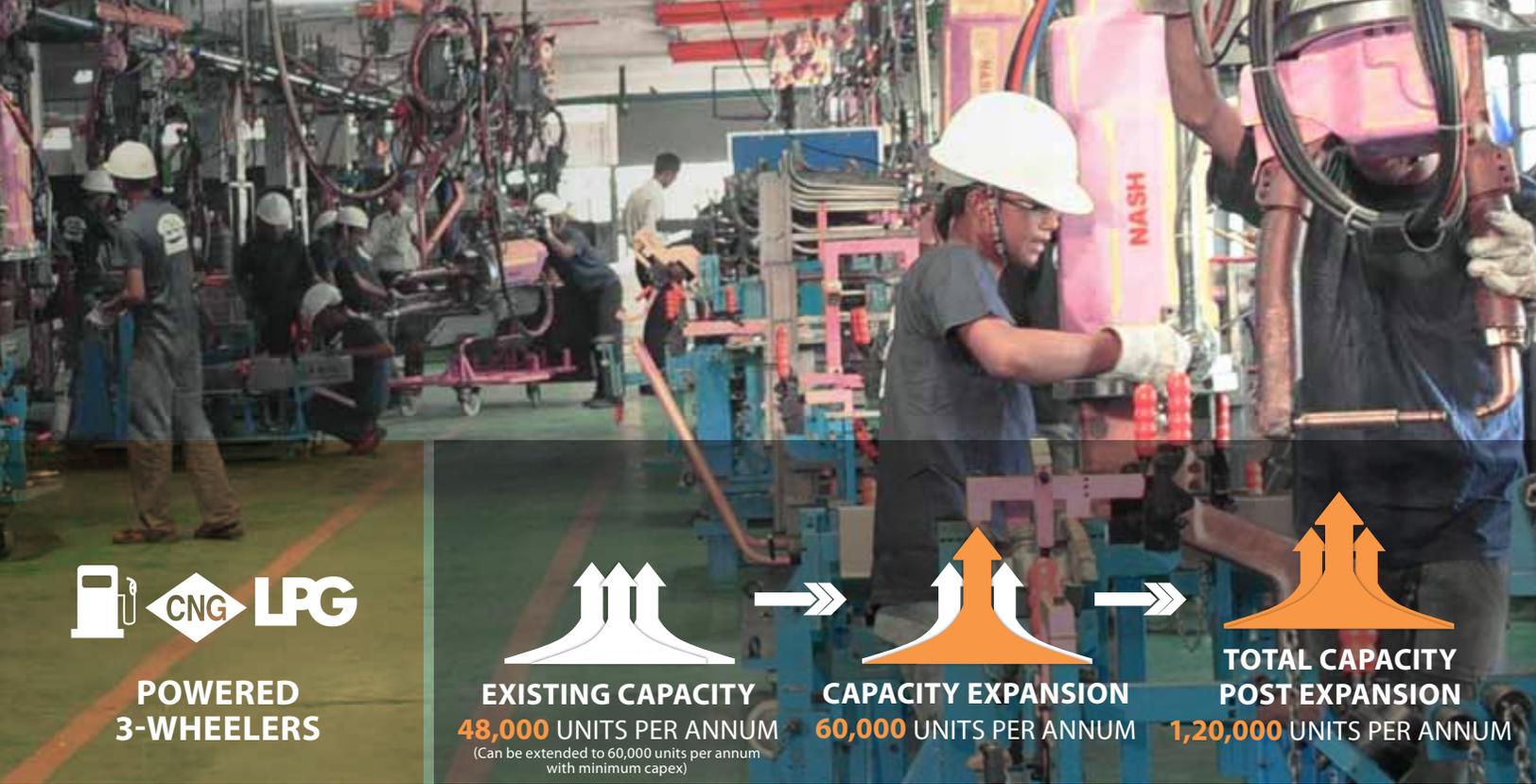
# ENGINEERING THE CHANGE



At Atul Auto, our constant goal is to keep strengthening our Research & Development (R&D) capabilities. Our R&D team consists of technically qualified experts, who are supported by our modern design tools and state-of-the-art manufacturing facility. These include simulation, computer-aided designing, engineering, prototyping, component testing and vehicle testing. Through our research, we have adopted several innovative technologies that enable us to improve our operational costs. Increase in capacity has also been achieved through product innovations and process re-engineering.

### **Petrol variant – Our new Growth Driver**

Our R&D team has devised new variants of 3-wheeler autos making use of petrol and CNG engine. We expect the engine variant to be our next growth trigger. We will launch these variants in FY2016. Since the addressable global market is mostly petrol-based, our foray into this segment will further open up global opportunities and sustain



**POWERED  
3-WHEELERS**



**EXISTING CAPACITY**

**48,000** UNITS PER ANNUM  
(Can be extended to 60,000 units per annum with minimum capex)



**CAPACITY EXPANSION**

**60,000** UNITS PER ANNUM



**TOTAL CAPACITY  
POST EXPANSION**

**1,20,000** UNITS PER ANNUM

the growth rate in our export volumes. When it comes to the domestic market, the petrol/CNG compact segment constitutes no less than 36% of the 3-wheeler market. The entire export market for 3-wheelers consists of 0.35 Tonne petrol/CNG variants. In particular, petrol-based variants are generally preferred in large urban settings, both within domestic and overseas markets. With a larger addressable market to penetrate, we expect these variants to further grow revenues and improve our market share.

### Capacity Expansion

Our existing capacity at the Rajkot plant is 48,000 units per year. Through minimal capital expenditure, increasing the number of shifts we work and further de-bottlenecking measures at the Rajkot plant, we have the flexibility to enhance our capacity to 60,000 units per year. In anticipation of our continuing growth over the next few years, we are already setting up a new Greenfield manufacturing unit near Bavla, Ahmedabad. The new facility, which is likely to come

**WITH OUR HIGHLY INNOVATIVE APPROACH TO MANUFACTURING AND DESIGN, WE REMAIN COMMITTED TO EMERGE AS A KEY PRODUCER OF 3-WHEELERS FROM INDIA. WE CUSTOMISE OUR PRODUCTS AS PER THE MARKET DEMAND AND THE END-USER'S PREFERENCE.**

on-stream soon, will have an initial first phase annual installed capacity to churn out 30,000 units per year, facilitating us in keeping pace with the rising demand. The new plant will subsequently also have "Phase 2" development, with the total capacity doubling to 60,000 units per year. With this, we will eventually double our existing production capacity from 60,000 units per year to 120,000 units per year. The new plant will manufacture existing as well as new products in the 3-wheeler segment and in addition to the domestic market, it will cater to exports into South Asia and Africa.

# MAINTAINING A HEALTHY BALANCE SHEET

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## THE COMPANY IS DEBT FREE SINCE FY2011-12.

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WE HAVE BEEN CONSISTENT IN TERMS OF GROWTH. WE POSSESS A STRONG BALANCE SHEET, WITH ZERO DEBTS ON OUR BOOKS. WITH INCREASED VOLUMES AND IMPROVEMENT IN MARGINS RESULTING FROM BETTER ECONOMIES OF SCALE, OUR PROFITABILITY IS EXPECTED TO CONTINUOUSLY IMPROVE.

In our desire to win for our shareholders, we are in a constant pursuit of value creation. We are built on sound principles to deliver shareholder value. We are focussing on unlocking value to win “with our customers” and “win for our shareholders”.

Our revenues and turnover have recorded a CAGR growth of 25% each between FY2011 and FY2015, while the CAGR for net profit stood at 44.03%. The gross EBITDA at ₹ 63.78 crore is 32% higher than ₹ 48.30 crore in the previous year, recording a CAGR of 33.54%.

Our Gross EBITDA margin was 13.01% in FY2015, as compared to 11.25% in the previous year. We achieved a Return on Equity (RoE) of 37.83%, higher than 35.53%



in the previous year, whereas the Return on Capital Employed was 43.43% vis-à-vis 42.76% in the previous year.

As we move ahead, the improvement in volumes, better and enhanced product mix and benign operational costs will lead to an expansion in our gross margins.

In addition to this, with further improvement in our capacity utilisation levels, we are likely to accrue the benefits of operating leverage, which will increase our EBITDA margins further.

During FY2016, we aim to utilise our running accruals and existing reserves towards our capital expenditure, thereby continuing our "debt free" status.

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**₹ 2200 (100 SHARES@ ₹ 22)  
INVESTED IN IPO IN 1996  
WORTH AROUND ₹ 2,00,000 AS  
ON MARCH 31, 2015**

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**DESPITE SIGNIFICANT  
UPCOMING AND CAPITAL  
EXPENDITURE ON THE  
HORIZON, WE EXPECT  
OUR RETURN RATIOS TO  
CONTINUOUSLY IMPROVE DUE  
TO HEALTHY PROFITABILITY  
AND EBITDA IMPROVEMENTS.**

## Our Key Focus Areas

# FIRM GRIP ON THE ACCELERATOR

### AIMING AT FUTURE GROWTH



Year	0.5 Tonne Domestic (%)
2015	15.50
2014	12.90
2013	11.50
2012	9.00
2011	6.00

Year	Passenger (%)
2015	13.80
2014	10.80
2013	9.30
2012	6.90
2011	5.00

Year	Cargo (%)
2015	18.00
2014	16.70
2013	15.60
2012	13.20
2011	9.40

Source: Internal

A 10.76% growth in volume and 14.11% rise in turnover during FY2015 steadily increased our overall market share in the domestic 3-wheeler passenger and cargo segments. Our high quality products and service offerings are aiding us move higher in market share. Between FY2010 and FY2015, while the domestic 3-wheeler industry registered a volume CAGR of just 4%, we recorded a CAGR growth of 27% within the same period.

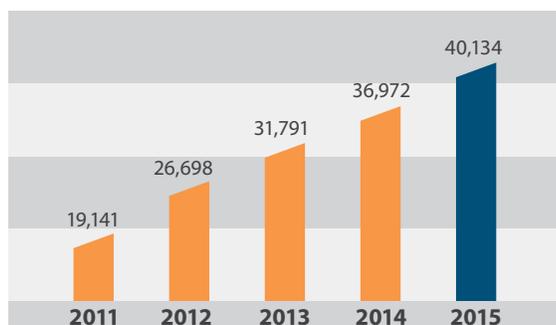
Consumer-driven industries such as retail, pharma, FMCG, including the infrastructure growth story, drove our growth in the past. We have gained an overall market share of 7.50% in the domestic market, a significant rise from 2% market share clocked in FY2009. While our share in the passenger segment is 5.20%, it is as high as 17.80% in the cargo 3-wheeler segment. With our petrol variants on the anvil, we shall have a good opportunity to accelerate our market share drive within the passenger segment too.



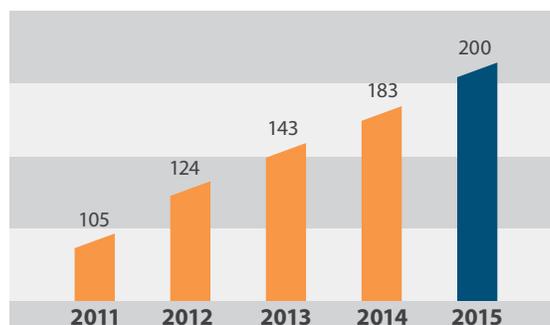
With a diversified product mix and expanding geographical reach, we are enroute to transforming ourselves from being a regional commercial vehicles manufacturing company, to one with a pan-India presence and significant export potential. Given our current scale, we can achieve further growth through increased market penetration and by optimising new dealerships. With a well-devised expansion plan, increase in installed capacity and new models/variants in the offing, our market share is expected to consolidate further.

**DEFYING ALL MARKET HURDLES, WE ARE GROWING CONSISTENTLY ACROSS ALL THE SEGMENTS. FURTHER CAPACITY ADDITION, NEW PRODUCT LAUNCHES, INCREASING MARKET PENETRATION AND A STEADY PUSH INTO THE EXPORT MARKETS IS GRADUALLY INCREASING OUR FURTHER MARKET SHARE.**

### Clocking Higher Domestic Sales



### Optimising Primary Dealership



## Our Key Focus Areas

# GREENING THE ROAD AHEAD



AT ATUL AUTO, BEING “GREEN” IS MORE THAN A BUSINESS IMPERATIVE. IT IS A COMMITMENT. WE ARE CONSCIOUS OF OUR RESPONSIBILITY TOWARDS THE ENVIRONMENT AND ARE CONTINUOUSLY WORKING TOWARDS REDUCING OUR ENVIRONMENTAL FOOTPRINT.

Sustainable development lies at the core of our vision of being one of India’s environment-friendly companies. We aim at creating industry benchmarks in the areas of energy conservation and sustainability. We are committed to offer “environment-friendly products” to our customers.

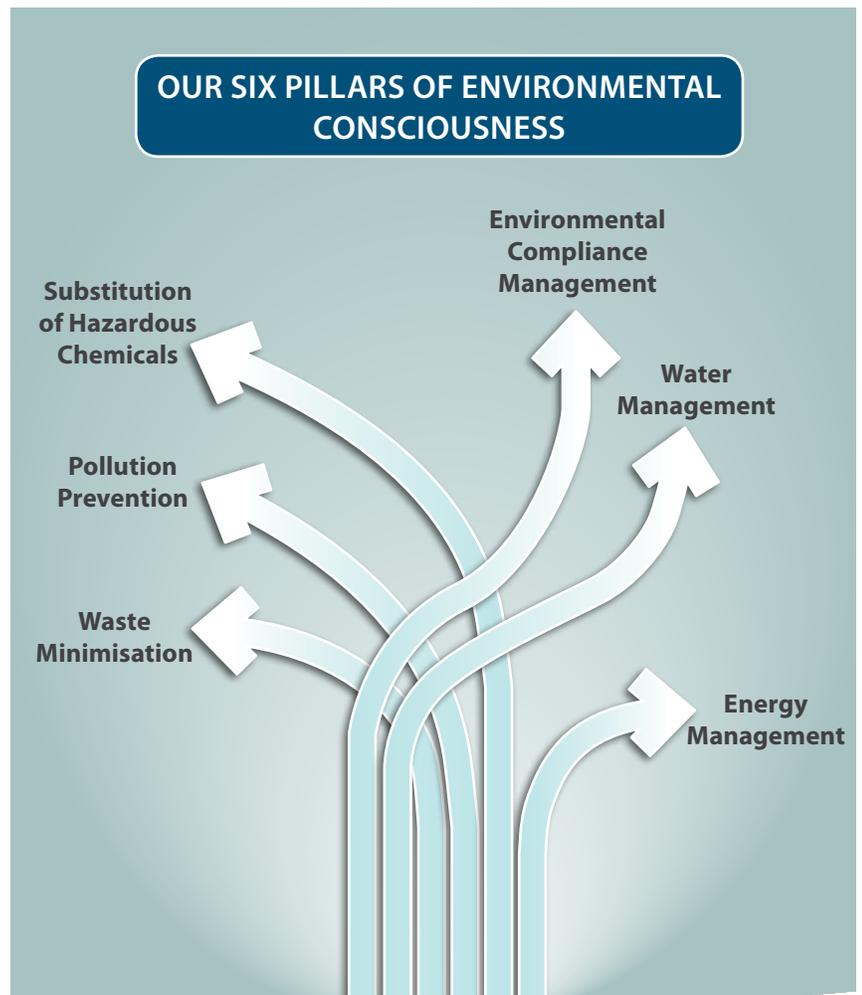
With this objective in mind, we have created a new petrol model, which is expected to be launched during FY2016, along with its CNG and LPG variants. This will be a sturdy and “future ready” product with new design and better looks, equipped with the latest technologies and complying with the required emission norms. Aimed towards metro cities and exports, the new model is likely to be an improved version of G2, Atul Gemini’s petrol variant. Launched in March 2015, this variant was certified by the Automotive Research Association of India.



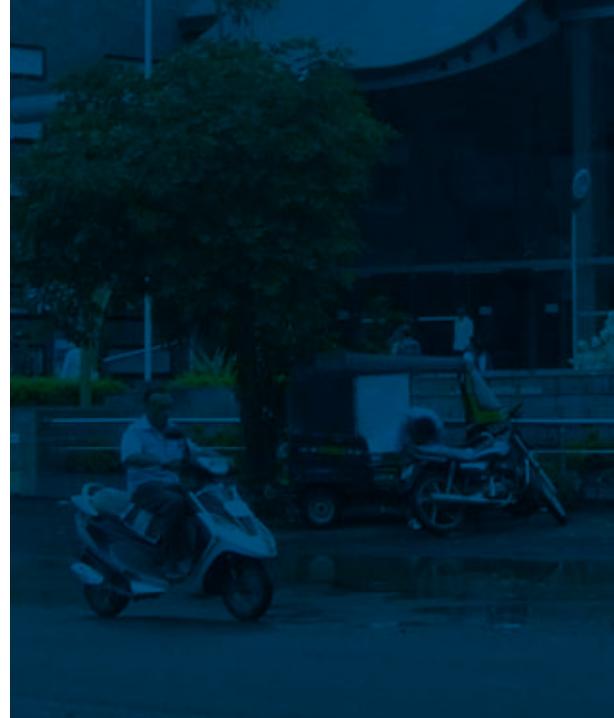
## Reducing Environmental Impact

Environmental consciousness is a key area of focus at Atul Auto. By way of technological up-gradation and effective operational control, we are trying to achieve significant reduction in energy and water consumption too. We are also working towards improving our fuel efficiency through constant innovation and are exploring alternate and renewable sources of energy.

We are committed towards improved environmental performance and are gradually making investments in clean and green technologies. We own a wind-mill in Gujarat with 0.6 MW capacity. Energy generated from the wind-mill is transferred to Gujarat Energy Development Authority (GEDA) and the Gujarat Energy Transmission Company (GETCO), the value of which is adjusted with Atul Auto's power consumption bill.



# Management Discussion & Analysis



## India Economic Overview

India continues to be one of the most promising economies to sustain a strong growth in its GDP. The current growth in GDP, as per the new series, places it at 7.40% for FY2015 as against a revised past trend of 5.10% and 6.90% in FY2013 and FY2014, respectively. The revised trend is estimated to take GDP growth to 7.50% plus in FY2016 and FY2017. A year after formation of the new Government, positive impact of Government policies and decisions reflect at the ground level, at least partially. The Government seems to be moving in the right direction – balancing the act of reforms, capital spending to boost economic recovery and fiscal prudence. During FY2015, the Indian economy stood up to the challenges of consumer inflation, policy paralysis, weakening of Indian rupee, a widening current account and fiscal deficits and an unstable global environment. It is now on a firm path of a revival with a wave of optimism. The strong uptick in GDP growth was accompanied by a receding inflation – at 5.10% in January 2015, considerably lower than double-digit figures in 2013. Current account deficit and fiscal deficit, the prime causes of concern in 2013, are now within manageable levels.

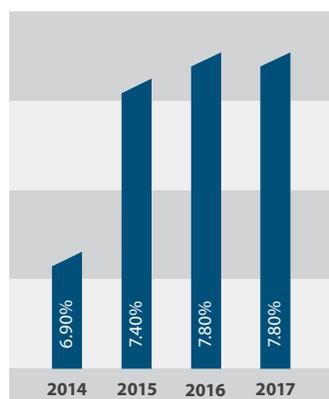
Despite GDP growth in the previous two fiscal years being at or sub 5%, real growth is seen at 5.50%. Further recovery is expected from an improvement in investment climate with better governance, transparent, effective and efficient regulatory and legal regimes, improvement in technical efficiency, institutional improvements, improved labour mobility, and other such reforms. A boost is also expected from lower policy rates and stable commodity prices, with India becoming an attractive destination among peers. Irrespective of differences in the estimation method, the consensus is that GDP will maintain an upward movement by a minimum of 100 basis points year-on-year, if Government spending and policy initiatives remain on track. With a high growth potential, India is seen as a bright spot in the global economic landscape. (Source: RBI's Annual Report 2013-2014)

However, the RBI has cautioned that a deficient rainfall can have a dampening impact on India's economy and lead to higher inflation. Industries and sectors linked to agriculture will be negatively impacted, while demand for automobile sales will also be affected.

## Industry Overview

The Indian auto industry is one of the fastest growing sectors in India, accounting for 22% of India's manufacturing gross domestic

### India's GDP Growth (%)



**Note:** The 2015-16 & 2016-17 projections based on Asian Development Bank estimates

The Reserve Bank of India (RBI) has projected a moderate-paced recovery in FY2015.

“Since the running and maintenance cost of my **Atul Gem Passenger** is lower, it gives me better earning compared to other three wheelers.”

- Purshottam Sarvaiya



product (GDP) and providing for around 18% of excise duties to the state exchequer. It is one of the largest in the world with an annual production of 23 million vehicles in FY2015. An expanding middle class, a young population, rising disposable incomes, tailor-made finance schemes, easy repayment schemes, and an increasing interest of companies in exploring rural markets have been key growth drivers of the industry. The industry has created nearly 19 million jobs in the country through direct and indirect employment. Automotive hubs across the country have given rise to ancillary industries engaged in manufacturing components for automobiles. India is a substantial auto exporter, with solid export growth expectations for the near future. Various initiatives by the Government of India and major automobile players in the Indian market are expected to make India a world leader in the automobile market by 2020. With a year-on-year rise in exports, the industry has increased the presence of the nation in international markets.

The automobile industry in India witnessed a healthy growth between FY2008-13, even as FY2014 turned out to be a difficult year due to rising inflation, increased fuel prices and unfavourable interest rates. This resulted in high cost of ownership and largely affected the industry in the backdrop of a slow GDP growth. FY2015 was all about recovery.

Domestic vehicle sales grew 7.22% at 19,752,580 units from 18,423,223 units sold in FY2014. This was the first time in three years that passenger vehicle sales recorded positive growth, after high fuel and interest cost coupled with economic slowdown dented automobile sales. Exports in FY2015 shot up nearly 15% to 35,73,806 units, in comparison with 31,10,584 units exported in the previous financial year. Improving affordability and rising incomes are seen driving solid growth for India's automobile industry over next five years. Domestic sales of passenger vehicles are seen recording 9.50% CAGR between 2014 and 2019, while commercial vehicles are projected to record 6.80% rise (Source: Frost & Sullivan).

The potential of the industry is immense in terms of revenue generation and employment. The sector, comprising of the automobile and auto component sub sectors, is one of the key segments of the Indian economy having extensive forward and backward linkages with other key segments of the economy. The automotive industry ably fulfils a catalytic role by producing a wide variety of vehicles such as passenger cars, light, medium and heavy commercial vehicles, multi-utility vehicles such as jeeps, scooters, motorcycles, mopeds, three wheelers, and tractors, among others.



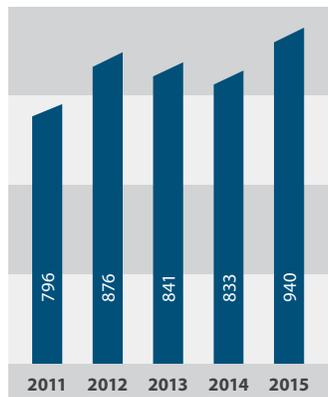
“The easy availability of a full range of quality tested spare parts for my *Atul Shakti*, which are reasonably priced, adds to my pleasure of driving.”

- Mukesh Khant

### India's Automobile Industry: Growth Drivers

- **Improving Affordability** – With declining fuel prices and moderation in inflation, purchasing power will improve
- **High GDP Growth Rate** – Expectation of strong economic growth is leading to improving consumer sentiments
- **Rising Incomes** – Rising per capita income may encourage discretionary spending
- **Strong Demand from Rural Markets** – Demand from rural segment has been on a continuous rise
- **Further RBI Easing of Monetary Policy** – Softening of interest rates may lead to higher sales owing to lower cost of ownership

### India's 3-Wheeler Industry - Sales Volumes



Source: Reliance Securities Report

### 3-Wheeler Industry

India is the world's foremost producer, consumer and exporter of 3-wheelers. Amidst a challenging environment, the domestic 3-wheeler industry sold 531,927 3-wheelers in FY2015, owing to fresh permits offered for passenger variants. This data, furnished by the Society of Indian Automobile Manufacturers (SIAM), indicated a double-digit growth of 10.80% over the previous year. In FY2014, the industry reported total sales of 480,085 units, which contracted 10.90% during the year owing

to a marked reluctance of road transport authorities to issue fresh permits. In the previous year, passenger segment volumes (accounting for majority of 3-wheeler sales) also dropped, largely due to lower demand from key metros with lower permits offered. Urban and rural markets were both affected by rising interest rates, increasing petrol prices and overall inflation.

In FY2015, a total of 949,021 units were produced, indicating a 14.30% rise over 830,108 units produced in FY2014. About 407,957 units were exported in the year under review, clocking 15.40% rise over 353,392 units exported in FY2014. Demand for 3-wheelers continued to remain healthy in the domestic market. On the export front, there has been a growing demand from nearby markets, especially from Sri Lanka, Bangladesh and several parts of Africa.

The passenger segment accounts for around 83% of India's 3-wheeler market, while cargo constitutes the remaining 17%. Demand for passenger 3-wheelers is higher in domestic and export markets. On the other hand, demand for goods carriers arises predominantly from the domestic market. Export markets include the developing and under-developed countries such as Bangladesh, Sri Lanka, Indonesia, African countries and Latin American countries.



# Management Discussion & Analysis

## Underlying Growth Drivers

India is one of the largest manufacturers of 3-wheelers, producing 950,000 units per annum, which is projected to grow 6% to 8% per annum. The domestic 3-wheeler market currently stands at 480,000 units.

towns where 3-wheelers serve as the ideal mode of goods transportation

- Restriction imposed on entry of large commercial vehicles in metros and major cities
- Availability of financing by banks and NBFCs

### India's 3-Wheeler Industry: Key Enablers and Growth Drivers

- An important element for goods transportation
- Provides last-mile connectivity in metro/urban markets where entry of large Commercial Vehicles into city limits is getting increasingly restricted
- Ideal and most-widely used mode for transportation in rural/semi-urban markets
- Increased Government focus on improvement in rural road infrastructure

## Outlook

The global 3-wheeler market is projected to grow at a CAGR of 13% during 2014-19, while the domestic 3-wheeler market is projected to grow at 5% CAGR (Source: TechSci Research). Rising demand for cheap and convenient public conveyance in rural and semi-urban areas and an increasing number of permits issued by state governments are playing a key role in driving the domestic 3-wheeler market. Moreover, the establishment of new CNG filling stations in semi-urban and rural areas and inception of new engine and fuel technologies are expected to further boost *passenger segment* in the future years. Growth drivers for 3-wheeler cargo segment are: a key focus on improvement in rural road infrastructure; growth in user industries like FMCG, pharma, retail and construction; major retail push by FMCG and consumer product players in Tier II cities and smaller towns; and restriction on entry of large Commercial Vehicles in metros and major cities.

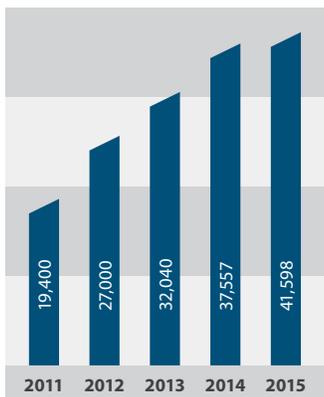
### Passenger Segment:

- 3-wheelers emerge as popular mode of passenger transportation
- New permits for CNG/LPG driven vehicles are easily available
- Passenger application in rural and semi-urban areas continues to grow
- Availability of financing by banks and NBFCs
- Government focus on improvement in rural road infrastructure

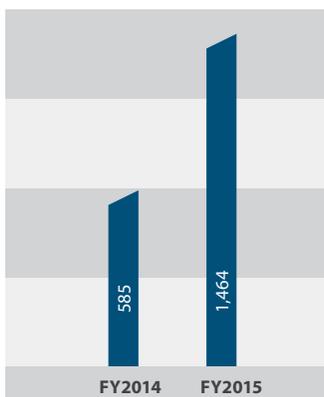
### Cargo Segment:

- Growth in key user industries such as FMCG, Pharma, Retail and Construction
- Government focus on improvement in rural road infrastructure
- Major retail push by FMCG and consumer product players in Tier-II cities and smaller

### Rising Sales



### Increasing Exports



No. of units are absolute

## Company Overview

### About Atul Auto

Atul Auto Limited (AAL) is a leading manufacturer and the fastest growing player

# Management Discussion & Analysis

## Consistent Track Record of Product Development



**Road Master (RTV)**  
1975-2000



**0.5 Tonne (FE)**  
2000 onwards



**Customised vehicles**  
2003 onwards



**0.5 Tonne (RE)**  
2009 onwards



**0.5 Tonne (Atul Smart - FE)**  
2011 onwards



**0.5 Tonne Diesel**  
2013 onwards

in 3-wheeler vehicles industry. It is a strong player with a product portfolio comprising 45 models catering to passenger and goods carrier segments. Its key brands are Shakti, Smart, Gem and Gemini. It caters to a diverse customer base in cargo and passenger segments with a payload capacity of 350 kgs and 500 kgs.

We have a state-of-the-art manufacturing facility at Shapar, Rajkot at Gujarat. This has an installed production capacity of 48,000 units per annum, which can be extended

to 60,000 units per annum by incurring minimum capex. The manufacturing facility consists of integrated manufacturing processes such as manufacturing of components, fabrication of chassis, pre-paint facility, paint shop, assembly line and end-of-line testing. We are focussed on improving productivity and increasing operational efficiency at the plant through local level innovations and process re-engineering. We are in the process of setting up another manufacturing facility at Ahmedabad with an installed capacity of 60,000 units per annum.

My *Atul Gem Delivery Van* delivers a superior performance with best-in-class mileage of around 35 kms per litre. I absolutely love driving it since it is reliable and offers great fuel economy.

- Mansukh Patel



### What Differentiates Us:

- Ability to cater to a larger market size
- Suitable for urban and overseas markets
- Available with alternative fuels (CNG and LPG)
- Complete portfolio consisting of all types and sizes of 3-wheelers for both platforms

### Operational Performance

Despite industry challenges, the Company's operational performance was on an uptrend. In our full year of operations, sale of 3-wheelers at Atul Auto Limited was recorded at 41,598 units, a 10.70% rise over of 37,557 units of 3-wheelers sold a year earlier. The Passenger segment recorded 9.70% higher sale at 23,747 vehicles, compared with 21,640 units sold a year earlier. The Cargo segment grew the highest at 12.10% as it sold 17,851 3-wheelers, compared to 15,917 units sold in the previous year. Our key brand Atul Gem, which is now in its 7<sup>th</sup> year, recorded sale of 25,808 vehicles – reporting a volume growth of 10.76% year-on-year vis-à-vis 21,866 units sold a year earlier. Atul Shakti recorded total sale of 11,959 units, compared to 11,418 units earlier. To spread our network further, we strategically initiated sale of 3-wheelers in the metro cities of Mumbai, Delhi and Bangalore, which contributed to higher sales recorded by the Company in FY2015. Going forward, we aim to continue our strategy of large-scale penetration in the key markets of India.

### Our Competitive Advantages

#### Increasing Market Share

Atul Auto maintained a strong performance with rising 3-wheeler sales translating into a market share of 7.55% in FY2015, according to the data furnished by the Society of Indian Automobile Manufacturers (SIAM). In the cargo segment, it commands an 18% market share, which grew from 16.70% in FY2014. Market share of its 0.5 tonne 3-wheeler stands risen to 15.5% vis-a-vis 12.90%. Its passenger segment market share is 13.80%, up from 10.80% recorded a year earlier. We grew our market share in the Cargo segment and further strengthened our leadership position in the 0.5-tonne cargo category due to our strong and well-engineered body, solid and well designed and constructed chassis and excellent after-sales service.

#### Export Performance

Your Company's export performance is improving year-on-year. We exported 1,464 vehicles in FY2015, registering a 150% rise over 585 vehicles exported in the previous financial year. Exports accounted for 3.50% of the net sales. Our vehicles were exported to 6 countries – South Africa, Nigeria, Bangladesh, Kenya, Tanzania and Mozambique. We continue to gain our market share in the key overseas markets of Africa. Moving forward, our key emphasis will be on foraying into the key markets of Egypt and Ethiopia.



“ My *Atul Smart 5.5 High Deck* is sturdy, steady and solid. Although the payload capacity is 500 kgs, it can manage much higher load, even while its light-weight frame allows effortless handling. ”

- Rajubhai

### Financial Highlights

- Our total turnover increased to ₹ 490.07 crore, compared to ₹ 429.26 crore in the previous year
- PAT for the year was ₹ 40.57 crore, compared to ₹ 29.79 crore in the previous year
- EBITDA increased to ₹ 57.92 crore, as against ₹ 45.39 crore in the previous year
- EPS for the year was ₹ 18.50 per share, compared to ₹ 13.60 per share in the previous year

### Product Launches

Your Company has been launching a slew of new product variants across the 3-wheeler segment. This is aimed at consolidating its presence in the existing and new markets. Your Company is now launching a new product focussing on efficiency and effective maintenance – the petrol version, paving way for it to enter a new segment. Moving ahead, we will continue to add new variants of our existing models and new models in the market.

### Future Growth Strategies in Play

- Continuously introducing new products across 3-wheeler segment
- Aggressive entry into new markets

- Consolidating presence in existing markets
- Strategic tie-ups with leading banks and NBFCs to provide retail financing
- Current capacity of 48,000 vehicles per annum to be expanded to 60,000
- Adding installed capacity of 60,000 vehicles per annum near Ahmedabad

### Research & Development

Reengineering is an ongoing exercise at Atul Auto. Our constant focus is to align our products to meet the current market needs. We keep launching products that meet market dynamics and also keep developing variants for passenger and cargo applications in order to address new market segments. As a key initiative, we launched Customised Vehicles in passenger and cargo segment with customised applications. Till date, we have launched about 44 different applications in this segment, some of which include Chicken Carriers and Ice-cream Suppliers, among others.

### Connecting with Bharat

Your Company is sensitive and committed towards rural and semi-urban India. We have reached out and connected with people in the hinterland. Through our initiatives, we endeavour to strengthen our relationships with customers and stakeholders in rural



# Management Discussion & Analysis

India. We wish our customers act as Brand Ambassadors to generate referral sales. We reach out and connect with customers from all cities. In addition to this, each of our regional office has a Customer Relationship Manager ensuring delivery of the highest level of customer satisfaction.

Our dedicated rural support executives at dealerships travel deeper into small towns and cities to build relationships. Through this, we endeavour to enhance customer satisfaction and ensure increased levels of member engagement. In a major rural market initiative during the year, we appointed 500 key technicians across India as service touch-points. These technicians, referred as *Atul Sahay*, will be equipped with all spare parts to provide initial support to a vehicle. Trained and certified by Atul Auto, these technicians will be the first port of call in case of a vehicle break-down and will save customers in rural pockets from travelling to a service centre in the nearest city.

## Dealer Network

Our dealer network has increased to 320, which includes 200 primary dealers and 120 sub-dealers. During the year under review, the percentage of institutional sales to our total sale has also been on a steady rise. Besides aiming to increase the number of customers and volume of transactions, we seek to enhance revenue opportunities for dealers as well. As a first initiative of its kind in the domestic 3-wheeler market, we joined hands with Bank of India and IDBI Bank to enable channel financing for our dealers.

This is a unique proposition which not only provides them with funding as a “stop gap arrangement”, it also handles their short-term working capital needs. The sanction limit for Bank of India is ₹ 100 crore, while for IDBI Bank it is ₹ 50 crore.

## Human Resources

Talent sourcing and management continues to be at the heart of Atul Auto's HR strategy. Our attrition rate is low compared to other automotive companies in India. On the managerial side, our senior management underwent various training programs aimed at holistic development and to craft organisational competencies. We conduct programs to enhance the company's effectiveness and help it become a wellorganised and diversified corporation, with an acute focus on capability development and in attracting and retaining talent. Our emphasis has always been on building a talent pipeline taking into account a medium-to-long term perspective. The Company tries to attract the right talent, build capabilities and facilitate career development to drive organisational objectives. The total number of employees with the Company were 951 as on March 31, 2015.

## Awards & Recognition

Atul Auto Limited has been awarded as the “Best SME of the Year 2015” by Nav Gujarat Samay, a popular Gujarati daily. This award was presented to the Company at an auspicious ceremony of Nav Gujarat Business Awards 2015.

# Management Discussion & Analysis



LEADERSHIP TO US IS NOT ABOUT EXCEEDING STANDARDS SET BY COMPETITION, BUT SURPASSING OUR OWN LIMITS. WE INSTITUTIONALISED THE BEST STANDARDS OF CORPORATE EXCELLENCE IN AN ENVIRONMENT OF MUTUAL RESPECT, COMPATIBLE WITH THE VALUE OF OUR SHAREHOLDERS. WE LOOK FORWARD TO EXPANDING OUR HORIZONS AND ACQUIRING STERLING GROWTH.



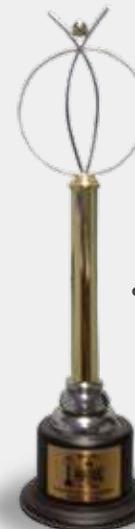
- Awarded “**BEST SME OF THE YEAR 2015**” by NavGujarat Samay, a popular Gujarati daily



- “**INDIA MART-LEADERS OF TOMORROW AWARD 2013**” for national level by Economic Times



- “**INDIA MART-LEADERS OF TOMORROW AWARD 2013**” for in Auto Components sector of West Zone by Economic Times



- “**MOST PROMISING SME IN AUTO & ENGINEERING**” 2012 Award by CNBC-TV18-ICICI Bank

“My *Atul Gem Cargo* has been my most faithful companion for over five years now. Besides a powerful pick-up, it offers me high durability and easy maintenance, making it an unbeatable value for my money.”

- *Bharat Solanki*



## Financial Overview

Figures in ₹ Crores

Particulars	FY2014-15	FY2013-14	Growth (%)
<b>Financial Performance</b>			
Total Revenue	498.7	433.1	15.1
Operating Profit (EBIDTA)	57.9	45.4	27.5
Profit before Tax	59.3	42.7	38.9
Profit after Tax	40.6	29.8	36.2
EPS (par value of 5/- each)	18.5	13.6	36.0
Dividend Per Share	5.0	3.75	33.3
<b>Financial Position</b>			
Net Fixed Assets ( Including Capital WIP )	79.9	53.3	49.9
Total Assets	177.4	144.6	22.7
Debt	0	0	0
Shareholders' Fund	120.5	93.9	28.3
Market Capitalisation	1,221.3	394.6	209.5

### Turnover

During the year the turnover of the Company has grown to ₹ 490.1 crore compared to ₹ 429.3 crore for FY2014, resulting in a growth of 14.2%.

### Material Cost

During the year the Raw material Consumption increased to ₹ 372.2 crore from ₹ 331.7 crore for FY2014 but the ratio of Raw Material consumption to Sales has positively

decreased to 75.9% from 77.3% compared to previous year.

### Employee Benefit Expenses

Employee benefit expense (other than managerial remuneration) increased to ₹ 30.3 crore during the year as against ₹ 25.7 crore during the previous year. This increase is mainly due to the salary hike given to employees and recruitment of fresh employees.



“ My *Atul Shakti Passenger (3+1)* has been my most faithful companion for over five years now. Besides a powerful pick-up, it offers me high durability and easy maintenance, making it an unbeatable value for my money.”

- *Narottam Kapdi*

### **Depreciation and Amortisation**

Depreciation and amortisation charges for the current year amounted to ₹ 5.6 crore, as against ₹ 5.2 crore during the previous year. Addition to fixed assets during the year was ₹ 33.5 crore, as against ₹ 14.8 crore during the previous year.

### **Provision for Tax**

₹ 19.2 crore was provided during the year towards current tax as against ₹ 11.3 crore during the previous year. The Company also reversed ₹ 0.5 crore towards deferred tax during the year, which was provided at ₹ 1.6 crore for previous year.

### **Cash & Cash Equivalents**

The Cash & Cash Equivalent of the company as on 31.03.2015 was ₹ 27.4 crore as compared to ₹ 45.1 crore as on 31.03.2014. During the year the Company had used the surplus cash lying with it for the purchase of land near Ahmedabad for its new greenfield project.

### **Information Technology**

Your Company's constant priority is to implement the latest and most advanced IT tools. We endeavour to leverage these to gain maximum benefits for the organization. All our branches and regional offices are well connected, ensuring timely and qualitative collection and dissemination of business information. We are able to manage the

scale of the Company by capitalising on our excellent IT systems and processes.

### **Opportunities and Threats**

Factors like supportive government and regulatory policies, optimal business environment and accessibility of inexpensive proficient workforce have transformed India into a global auto-manufacturing hub. Improvement in macro-economic environment, increasing disposable incomes in rural-agri sector, rising purchasing power of middle class, and availability of auto-finance are other significant opportunities in the 3-wheeler automobile segment. However, changes in the regulatory environment and government policies, rising inflation and production costs, and foreign exchange rate volatility can threaten the fast growth of India's automobile sector.

### **Internal Controls**

The Company has sufficient and commensurate internal control systems to match the size and the sector it falls under. The Company has well-defined and clearly laid-out policies, processes and systems. These are strictly and regularly monitored by the top management and any digression or discrepancy is immediately flagged off and corrected. All requisite regulations, rules and laws of the land are strictly followed. The



# Management Discussion & Analysis

Company has a sound system for financial reporting and well-defined management reporting systems. These are supported by Management Information System (MIS) that regularly checks, monitors and controls all operational expenditure against budgeted allocations. The Company also has a regular internal audit process that is monitored and reviewed by the Audit Committee, which ensures that any deviations from set benchmarks are immediately reported and corrected. The Company regularly keeps upgrading its systems and processes to ensure these are up-to-date and the latest.

The outlook for India's automobile sector is poised for steady growth, as India's economic activity gains steam. Growth drivers such as rising income levels, growing aspirations of rural India, increasing urbanisation necessitating increased mobility needs and changing consumer pattern are fuelling healthy demand. The market for 3-wheelers is also expected to witness phenomenal growth. Changing in FDI policies are driving growth for commercial loading of 3-wheelers. Rising population and increasing need for affordable and convenient transportation is fuelling the market.

## Risks & Concerns

- The economic environment, pricing pressure could negatively affect our revenues and operating results.
- Our revenues and expenses are difficult to predict and we may not be able to sustain our previous profit margins or levels of profitability.

- The overall economic environment, pricing pressure and difficulty in procuring raw material at competitive prices may affect our revenues and operating results.
- Our acquisitions, strategic investments, strategic partnerships or alliances may or may not be successful.
- Our inability to manage our growth can disrupt our business and reduce profitability.
- Being subjected to litigation, which is adversely determined, could harm our business and operating results.

## Cautionary Statement

This document contains statements about expected future events, financial and operating results of Atul Auto Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Atul Auto Limited's Annual Report, 2014-15.

ONE DIRECTION

NOTICE



Notice is hereby given that the Twenty Seventh Annual General Meeting (AGM) of the Members of Atul Auto Limited will be held on Monday, August 31, 2015 at 11.00am at the registered office of the Company at 8-B National Highway, Near Microwave Tower, Shapar (Veraval), District Rajkot, Gujarat-360024 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended on March 31, 2015 including audited Balance Sheet as at March 31, 2015 and the Statement of Profit and Loss for the year ended on that date and the Directors Report thereon and Auditors Report thereto.
2. To declare a final dividend on equity shares of the Company for the financial year 2014-15.
3. To appoint a Director in place of Mr. Jayantibhai J Chandra (DIN 00057722), who retires by rotation and, being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT**, pursuant to the provisions of Section 139 of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), and pursuant to the recommendations of the Audit Committee of the Board of Directors, M/s. Maharishi & Co., Chartered Accountants (ICAI registration No. 124872W), be and are hereby re-appointed as statutory auditors of the Company, to hold office from the conclusion of this Annual General Meeting to the conclusion of next Annual General Meeting on such remuneration as may be decided by the Board of Directors of the Company."

### SPECIAL BUSINESS:

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement entered into with the Stock Exchanges, Dr. Margie S Parikh (DIN 07056179) be and is hereby appointed as an Independent Director of the Company with effect from August 31, 2015 to hold office for a term of 3 (Three) years."

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 188, Schedule V, other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) as well as provisions contained in the Memorandum of Association and Articles of Association of the Company and in pursuance of recommendation of the Nomination & Remuneration Committee of the Board of Directors of the Company, the approval of members of the Company be and is hereby accorded to increase remuneration payable to Mr. Jayantibhai J Chandra, Chairman and Managing Director of the Company, as per details given here below, with effect from June 1, 2015:

### Remuneration:

- A. Salary per month: Rs.9,25,000/- (Indian Rupees Nine Lacs Twenty Five Thousands Only)
- B. He shall be entitled to provident fund, superannuation fund, gratuity, retirement benefits, leave encashment and any other benefit & facilities as per the Rules of the Company.
- C. Other Perquisites:
  - a. Mr. J J Chandra shall also be provided with Company maintained car with driver, Medical Insurance and Club Membership.
  - b. The Company shall reimburse reasonable medical cost incurred by him, his wife and children either directly or through appropriate insurance.
  - c. 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 draft agreement to be entered into by the Company with Mr. J J Chandra, setting out the said increase in remuneration, be and is hereby initialed by the Chairman for the purpose of identification and which is hereby specifically approved."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as 'board') be and are hereby authorized to vary and/or modify the terms and conditions of the Agreement that may be entered as set out in the said draft agreement including remuneration payable to Mr. J J Chandra in such manner as may be agreed between the Board and Mr. J J Chandra and within the limits as prescribed in Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment thereof which will be subject to the approval of shareholders at the General Meeting."

**"RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. J J Chandra, the above referred remuneration shall be paid to Mr. J J Chandra as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V to the Companies Act, 2013"

## Notice

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all things, deeds, acts as may be necessary in this regard.”

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Sections 197, 188, Schedule V, other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) as well as provisions contained in the Memorandum of Association and Articles of Association of the Company and in pursuance of recommendation of the Nomination & Remuneration Committee of the Board of Directors of the Company, the approval of members of the Company be and is hereby accorded to increase remuneration payable to Mr. Mahendrakumar J Patel, Whole-time Director and CFO of the Company, as per details given here below, with effect from June 1, 2015:

### Remuneration:

- A. Salary per month: Rs.8,00,000/- (Indian Rupees Eight Lacs Only)
- B. He shall be entitled to provident fund, superannuation fund, gratuity, retirement benefits, leave encashment and any other benefit & facilities as per the Rules of the Company.
- C. Other Perquisites:
- a. Mr. M J Patel shall also be provided with Company maintained car with driver, Medical Insurance and Club Membership.
- b. The Company shall reimburse reasonable medical cost incurred by him, his wife and children either directly or through appropriate insurance.
- c. 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 draft agreement to be entered into by the Company with Mr. M J Patel, setting out the said increase in remuneration, be and is hereby initialed by the Chairman for the purpose of identification and which is hereby specifically approved.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as ‘board’) be and is hereby authorized to vary and/or modify the terms and conditions of the Agreement that may be entered as set out in the said draft agreement including remuneration payable to Mr. M J Patel in such manner as may be agreed between the Board and Mr. M J Patel and within the limits as prescribed in Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment there of which will be subject to the approval of shareholders at the General Meeting.”

**“RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. M J Patel, the above referred remuneration shall be paid to Mr. M J Patel as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V to the Companies Act, 2013”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all things, deeds, acts as may be necessary in this regard.”

8. To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special resolution:

**“RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 188, Schedule V, other applicable provisions, if any, of the Companies Act, 2013, rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) as well as provisions contained in the Memorandum of Association and Articles of Association of the Company and in pursuance of recommendation of the Nomination & Remuneration Committee of the Board of Directors of the Company, the approval of members of the Company be and is hereby given for re-appointment of Mr. Niraj J Chandra as Whole-time Director of the Company on such terms and conditions mentioned hereunder:

- A. The term of the employment shall be from March 1, 2015 to the conclusion of the Thirtieth Annual General Meeting of the Company.
- B. Mr. N J Chandra will be paid remuneration of Rs.3,75,000/- (Indian Rupees Three Lacs Seventy Five Thousands Only) per month w.e.f. June 1, 2015 with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule V to the Companies Act, 2013 subject to the approval of shareholders at the General Meeting.
- C. He shall be entitled to provident fund, superannuation fund, gratuity, retirement benefits, leave encashment and any other benefit & facilities as per the Rules of the Company.
- D. Other Perquisites:
- a. Mr. N J Chandra shall also be provided with Company maintained car with driver, Medical Insurance and Club Membership.
- b. The Company shall reimburse reasonable medical cost incurred by him, his wife and children either directly or through appropriate insurance.
- c. 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 draft agreement to be entered into by the Company with Mr. N J Chandra, setting out the aforesaid terms and conditions of the employment, be and is hereby initialed by the Chairman for the purpose of identification and which is hereby specifically approved.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as ‘board’) be and is hereby authorized to vary and/or modify the terms and conditions of the Agreement that may be entered as set out in the said draft agreement including remuneration payable to Mr. N J Chandra in such manner as may be agreed between the Board and Mr. N J Chandra and within the limits as prescribed in Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment there of which will be subject to the approval of shareholders at the General Meeting.”

**“RESOLVED FURTHER THAT** in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. N J Chandra, the above referred remuneration shall be paid to Mr. N J Chandra as minimum remuneration and the same shall be subject to the limits as set out in Section II of Part II of Schedule V to the Companies Act, 2013”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to do all things, deeds, acts as may be necessary in this regard.”

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as a special resolution:

**“RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution of the existing Articles of Association of the Company.”

**“RESOLVED FURTHER THAT** the Board of Directors of the Company or any other person authorized in this behalf be and are hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution”

**Notes:**

- A. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, with respect to the special businesses set out in Item Nos. 5 to 9 above, is annexed hereto.
- B. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself/ herself and the proxy need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying

voting rights, then such proxy shall not act as a proxy for any other member.

The instrument of Proxy, in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc must be supported by appropriate resolutions/ authority, as applicable.

- C. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, August 25, 2015 to Monday, August 31, 2015 (both days inclusive) for the purpose of Annual General Meeting and determining the shareholders who are entitled to receive dividend.
- D. The dividend as recommended by the Board of Directors if declared at the Annual General Meeting will be paid on or after September 21, 2015 but before September 30, 2015.
- E. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
- F. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company’s Registrar and Share Transfer Agents (RTA), M/s Sharex Dynamic (India) Private Limited.
- G. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary & Compliance Officer, at the Company’s registered office. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company’s Unpaid Dividend Account, will, as per Section 205A of the Companies Act, 1956 (Section 124 of the Companies Act, 2013), be transferred to the Investor Education and Protection Fund. Further, the Company shall not be in a position to entertain the claims of Shareholders for the unclaimed dividends thereafter.
- H. Electronic copy of the Annual Report is being sent to all the members whose email addresses are registered with the Company/ Depository Participants(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent through the permitted mode.
- I. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving

## Notice

reference of their Folio Number. Members may also note that the Annual Report for FY 2014-15 will also be available on the Company's website [www.atulauto.co.in](http://www.atulauto.co.in) for download.

J. In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules issued thereunder and Clause 35B of the Listing Agreement, the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members through the remote e-voting platform provided by Central Depository Services Limited (CDSL).

K. The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on Monday, August 24, 2015 i.e. cut-off date only shall be entitled to avail the facility of remote e-voting as well as the voting in the Annual General Meeting. The members may cast their votes on electronic voting system from place other than the venue of the meeting (remote e-voting). The remote e-voting period will commence at 9.00 a.m. on Thursday, August 27, 2015 and will end at 5.00 p.m. on Sunday, August 30, 2015. In addition, the facility for voting through electronic voting system shall also be made available at the AGM and the Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Company has appointed Mr. Bhavin A. Mehta, Practising Company Secretary, M/s. MJP Associates to act as the Scrutinizer, to scrutinize the entire e-voting process as well as voting in Annual General Meeting in a fair and transparent manner. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereunder:

### The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on <Date and Time> and ends on <Date and Time>. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of <Cut-off Date>, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company
- (v) Next enter the Image Verification as displayed and Click on Login.

(vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>➤ Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN Field. The Sequence Number is being sent together with this Annual Report or in Separate Cover.</p> <p>➤ In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
DOB	<p>Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.</p>
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p>➤ Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant Company Name on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Non-Individual Shareholders and Custodians
  - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts

they would be able to cast their vote.

- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- L. All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on any working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

By order of Board of Directors,  
For ATUL AUTO LIMITED

Shapar (Veraval)  
May 9, 2015

**Paras J. Viramgama**  
Company Secretary & Compliance Officer

**Registered Office:**

8-B National Highway,  
Near Microwave Tower,  
Shapar (Veraval), District Rajkot  
Gujarat, INDIA 360024  
CIN: L54100GJ1986PLC016999  
Phone: 02827-666000 Fax: 02827-666029  
E-Mail: [investorrelations@atulauto.co.in](mailto:investorrelations@atulauto.co.in) Web: [www.atulauto.co.in](http://www.atulauto.co.in)

# Notice

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No: 5

The Board of Directors at their meeting held on January 19, 2015 pursuant to provisions of Section 161 of the Act, appointed Dr. Margie S Parikh (DIN: 07056179) as an Independent Director (Additional) with effect from January 19, 2015 as recommended by Nomination and Remuneration Committee and accordingly Dr. Margie S Parikh holds office till the date of the Annual General Meeting.

Dr. Margie S Parikh has submitted a declaration that she meets the criteria of Independence under Section 149(6) of the Act read with Clause 49 of the Listing Agreement.

The Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director at the forthcoming Annual General Meeting of the Company.

It is proposed to appoint Dr. Margie S Parikh as Independent Director under Section 149 of Companies Act, 2013 and Clause 49 of Listing Agreement for a term of 3 (Three) years beginning with effect from August 31, 2015.

Dr. Margie S Parikh is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

In the opinion of the Board, Dr. Margie S Parikh fulfills the conditions for appointment as an Independent Director as specified in the Act and the Listing agreement.

Detailed information about Dr. Margie S Parikh is provided in the Annexure to this notice.

Copy of the draft formal letter for appointment of Dr. Margie S Parikh as Independent Director setting out the terms and conditions are available for inspection by members at the Registered Office of the Company.

Accordingly, the Board of Directors recommend passing of the Ordinary Resolution as set out in this Notice.

None of the Directors and any of the Key Managerial Personnel including their relatives except Dr. Margie S Parikh (DIN: 07056179) are concerned or interested in this resolution.

### Item No: 6

Mr. J J Chandra is one of the founding promoters of the Company and is associated with the Company since its inception. Mr. 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.

Considering his experience and expertise, the Audit Committee, the Nomination and Remuneration Committee, and the Board of Directors of the Company felt that the remuneration package

offered to him need to be revised to make it fair, reasonable and also in line with the remuneration package prevailing in the industry. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report. This may be treated as an abstract of the terms and conditions for increase in remuneration of Mr. J J Chandra as Chairman and Managing Director.

The Audit Committee, the Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on Saturday, May 9, 2015 have approved the increase in remuneration payable to Mr. J J Chandra with effect from June 1, 2015.

Accordingly, the Board of Directors recommend passing of the Special Resolution as set out in this Notice.

Except Mr. J J Chandra, being the proposed beneficiary and Mr. Niraj J Chandra, being son of Mr. J J Chandra, no other director or Key Managerial Personnel including their relative is concerned and/or interested in this Resolution.

### Item No: 7

Mr. M J Patel has been associated with the Company since long. Mr. M J Patel is the key person in managing financial matters of the Company. He is also supervising the production facility of the Company and has great management skill. The Company has benefited a lot from the expertise and vision of Mr. M J Patel.

The remuneration is in consonance with the remuneration being paid by Companies of Considering his experience and expertise, the Audit Committee, the Nomination and Remuneration Committee, and the Board of Directors of the Company felt that the remuneration package offered to him need to be revised to make it fair, reasonable and also in line with the remuneration package prevailing in the industry. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report. This may be treated as an abstract of the terms and conditions for increase in remuneration of Mr. M J Patel as Whole-time Director & CFO.

The Audit Committee, the Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on Saturday, May 9, 2015 have approved the increase in remuneration payable to Mr. M J Patel with effect from June 1, 2015.

Accordingly, the Board of Directors recommend passing of the Special Resolution as set out in this Notice.

Except Mr. M J Patel, being the proposed beneficiary, no other director or Key Managerial Personnel including their relative is concerned and/or interested in this Resolution.

### Item No: 8

The Board of Directors of the Company reappointed Mr. N J Chandra as Whole-time Director of the Company with effect from

March 1, 2015 until the conclusion of the Thirtieth Annual General Meeting subject to approval of Members in this Annual General Meeting. Further, the Board also revised the terms and conditions (including increase in remuneration) of reappointment of Mr. N J Chandra subject to approval of Members.

He is taking care of Human Resource and Industrial Relations of the Company. He is also leading the market expansion strategy of the Company specifically in international market.

The remuneration 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. This may be treated as an abstract of the terms and conditions for increase in remuneration of Mr. N J Chandra as Whole-time Director.

The draft contract of employment with Mr. N J Chandra is available at the registered office of the Company for inspection by any member of the company without payment of any fee as required under section 190 of the Companies Act, 2013.

Accordingly, the Board of Directors recommend passing of the Special Resolution as set out in this Notice.

Except Mr. N J Chandra, being the proposed beneficiary and Mr. J J Chandra, being father of Mr. N J Chandra, no other director or Key Managerial Personnel including their relative is concerned and/or interested in this Resolution.

#### Item No: 9

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the Act. With the coming into force of the Companies Act, 2013, several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

Accordingly, it is proposed to replace the existing articles to streamline and align it with the corresponding provisions of the Companies Act, 2013. Shareholder's attention is invited to certain salient provisions of the Companies Act, 2013 which are applicable to the existing AoA of the Company, viz:

- A member may exercise his/her vote by electronic means in accordance with section 108 and shall vote only once;
- Company's lien now extends also to bonuses declared from time to time in respect of shares over which lien exists;
- the nominee(s) of a deceased sole member are recognized as having title to the deceased's interest in the shares;
- existing articles to be streamlined and aligned with the Act and provisions of the existing AoA which are already the part of statute in the Act have not been reproduced as they would only lead to duplication.

The proposed new draft of AoA is available for inspection by the members at the Registered Office of the Company during normal business hours (9 A.M. to 5 P.M.) on any working days except Saturdays and Sundays, up to and including the date of the Annual General Meeting of the Company.

Accordingly, the Board of Directors recommend passing of the Special Resolution as set out in this Notice.

None of the director or Key Managerial Personnel including their relative is concerned and/or interested in this Resolution.

By order of Board of Directors,  
For ATUL AUTO LIMITED

Shapar (Veraval)  
May 9, 2015

**Paras J. Viramgama**  
Company Secretary & Compliance Officer

#### Registered Office:

8-B National Highway,  
Near Microwave Tower,  
Shapar (Veraval), District Rajkot  
Gujarat, INDIA 360024  
CIN: L54100GJ1986PLC016999  
Phone: 02827-666000 Fax: 02827-666029  
E-Mail: investorrelations@atulauto.co.in Web: www.atulauto.co.in

## ANNEXURE

Profiles of the Directors being appointed/ re-appointed as required under Clause 49 of the Listing Agreement entered into with the Stock exchanges.

Name of Director	Mr. J J Chandra	Mr. M J Patel	Mr. N J Chandra	Dr. Margie S Parikh
DIN	00057722	00057735	00065159	07056179
Date of Birth	20/10/1956	14/10/1963	27/09/1979	05/09/1964
Date of Appointment	18/06/1986	30/11/1994	01/03/2012	19/01/2015
Expertise in specific field	Mr. J J Chandra has wide experience in Automobile Industry of more than 39 years. He has a far reaching vision with a keen insight to help Company to emerge as one of the leading manufacturers of small commercial vehicles.	Mr. M J Patel has rich experience of more than 22 years in assembling and production of the three wheeler automobiles. He is also having an experience in production of sunrise soaps chemicals for three years. He is expert in managing the financial matters of the Company.	Mr. N J Chandra is expert in managing Human Resource and Industrial Relations of the Company. He has experience of leading the market expansion strategy of the Company specifically in international market.	Dr. Margie S. Parikh has around 20 years of experience in the field of management and has authored many books on organizational behavior and management. She is currently affiliated with famous business management schools in Gujarat as a lecturer and researcher.
Qualification	Under Graduate	Under Graduate	Under Graduate	MBA, Ph.D.
Name of other Companies in which he/she holds Directorship*	Nil	Nil	Nil	Nil
Name of other companies in which he/she holds Chairmanship/ Membership of Committees of Board	Nil	Nil	Nil	Nil
No. of Shares held in Atul Auto Limited	1,351,742	277,848	105,118	Nil
Relationship with other directors	Father of Mr. Niraj J Chandra	None	Son of Mr. J J Chandra	None

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

ONE DIRECTION»

# DIRECTOR'S REPORT



# Directors' Report

Dear Members,

Your Directors have pleasure in presenting the 27th Annual Report and the audited financial statements for the year ended March 31, 2015.

## 1. Financial Results

The summarized financial highlight is depicted below:

(₹ In Lacs)

Particulars	2014-15	2013-14
Profit before Tax (PBT)	5,925	4,275
Less: Current Tax	1,920	1,132
Deferred Tax	(52)	163
<b>Profit after Tax (PAT)</b>	<b>4,057</b>	<b>2,980</b>
Add: Balance in Profit and Loss Account	6,977	5,259
<b>Amount available for appropriations</b>	<b>11,034</b>	<b>8,239</b>
<b>Appropriations</b>		
Transfer of WDV of assets completing its useful life	120	-
Deferred Tax on assets completing its useful life	(41)	-
Interim Dividend Declared	549	439
Tax on Interim Dividend	110	75
Proposed Dividend	549	384
Tax on Proposed Dividend	112	66
Transfer to General Reserve	406	298
<b>Balance carried to Balance Sheet</b>	<b>9,231</b>	<b>6,977</b>
<b>Earnings per Share</b>	<b>18.49</b>	<b>13.58</b>

## 2. Operating Results and Business Operations

During the year under review, your Company's operating and financial performance scaled new heights which can be demonstrated by following highlights:

- Number of vehicles sold increased by 11% to 41,598 (Previous year 37,557)
- Sales of vehicles in overseas market increased by almost 3 times to 1464 vehicles (Previous year 585 vehicles)
- Operating revenue increased by 15% to ₹ 49,280 Lacs (Previous year ₹ 43,013 Lacs)
- Profit before depreciation, finance cost, other income, exceptional items and tax (PBDIT) increased by 28% to ₹ 5,792 Lacs (Previous year ₹ 4,538 Lacs)
- Other income and exceptional items remained at ₹ 586 Lacs and ₹ 165 Lacs respectively (Previous year ₹ 292 Lacs and Nil respectively)
- Profit before tax (PBT) increased by 39% to ₹ 5,925 Lacs (Previous year ₹ 4,275 Lacs)
- Tax expense increased by 44% to ₹ 1,868 Lacs (Previous year ₹ 1,295 Lacs)
- Profit after tax (PAT) increased by 36% to ₹ 4,057 Lacs (Previous year ₹ 2,980 Lacs)

The Company could achieve these results due to increase in efficiency at floor level. The raw material consumption ratio has also improved which was awaited. The operating EBITDA has improved by 125 basis point to 11.82% which was 10.57% in previous year.

The increase in other income is due to settlement of a legal case filed against one of the suppliers which was written off as bad debts in earlier years. The exceptional items include provision for diminution in value of investment of associate and receipt on account of litigation settlement.

The net profit margin reached to 8.28% in FY 2014-15 as against 6.94% during the previous year. In terms of earning per share, it has improved from ₹ 13.58 to ₹ 18.49, up by 36.15% precisely.

## 3. Transfer to Reserve

The Company proposes to transfer ₹ 406 Lacs to the General Reserve out of amount available for appropriation, and an amount of ₹ 9,231 Lacs is proposed to be retained in the Statement of Profit and Loss.

## 4. Dividend

In November 2014, the Company paid an interim dividend

of ₹ 2.50 per equity share of ₹ 5/- each. Your Board has recommended final dividend for FY 2014-15 at ₹ 2.50 per equity share of ₹ 5/- whereby making total dividend for the year of ₹ 5 per equity share of ₹ 5/- each (excluding dividend distribution tax) i.e. 100% on paid up share capital of the Company against ₹ 7.50/- per equity of ₹ 10/- each in last year i.e. 75% on paid up share capital of the Company.

The total dividend pay-out (excluding dividend distribution tax) for the current year is ₹ 1,097 Lacs as against ₹ 823 Lacs in the previous year.

The Dividend recommended by the Board of Directors, if approved by the Members at the AGM, will be paid on or after September 21, 2015 but before September 30, 2015 to those members whose names appear on the Company's Register of Members as on close of business hours of August 24, 2015. In respect of shares held in electronic form, the dividend will be payable on the basis of beneficial ownership as at the close of business hours on August 24, 2015 as per the details furnished by the Depositories, viz., National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) for the purpose as on that date.

## 5. Product

The Company manufactures three-wheeled auto rickshaws targeting the passenger segment and cargo segment. The company manufactures the diesel powered carrier for carrying 3 to 6 passengers and also the CNG and LPG driven vehicles. In cargo segment, the company manufactures vehicles with a rated carrying capacity of up to 0.50 tones. Both these vehicles have been approved by the Automotive Research Association of India.

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 (SPVs)
  - I. Chicken Carrier
  - II. Tripper
  - III. Water Tank Carrier
  - IV. Soft Drink Carrier
  - V. Mobile Shop
  - VI. Hopper
  - VII. Bio Hazard
  - VIII. 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 also introduced different types of vehicle to cater to the specific demand of the customers as enumerated above under category SPVs.

## 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

The production process is oriented towards production of optimum product. The customer satisfaction is the top priority of the Company. The Company continues to strengthen its drive to improve quality and product offering while maintaining its low cost product development/ sourcing advantage. To improve the quality of product testing, the Company has imported the product testing machine from Singapore during the year.

## 7. Capital Expenditure

The Company has completed a process and procedure for acquiring a land measuring 54 acres near Ahmedabad for future expansion. The Company incurred a capital expenditure of ₹ 3,359 Lacs (₹ 1057 Lacs in the previous year). The entire capital expenditure was funded out of internal accruals.

## 8. Liquidity

The Company has maintained its status of "Debt Free Company" in fiscal 2015, too. The Company does not have any 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 2015, internal cash flows have more than adequately covered working capital requirements, capital expenditure and dividend payments. As at March 31, 2015, the Company had liquid assets of ₹ 8,917 lacs as against ₹ 8,508 lacs at the end of previous fiscal 2014. Out of these liquid assets, the Company has invested ₹ 2,138 lacs in mutual fund to earn the dividend.

# Directors' Report

## 9. Credit rating

CRISIL has reaffirmed its long term rating of the Company at 'CRISIL A-/Stable'. The rating continues to reflect the Company's above-average financial risk profile, marked by low gearing, above average debt protection metrics, improving market share, established distribution network and efficient working capital management

## 10. Subsidiaries, Joint Ventures and Associate Companies

The Company doesn't have any subsidiary or joint venture companies. The Company is holding 49.91% of the paid up share capital of Khushbu Auto Finance Limited, a Non-Banking Finance Company. Khushbu Auto Finance Limited is engaged in the business of financing of three wheelers. Atul Auto Limited is holding 22,96,000 equity share of having face value of ₹ 10/- each in Khushbu Auto Finance Limited. The investment value of the same as on March 31, 2015 is ₹ 98,72,800/-

## 11. Directors' Responsibility Statement

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

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there are no material departures from the same;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period
- c) the directors have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis; and
- e) the directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively.

- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively.

## 12. Extract of the Annual Return

In accordance with section 134(3)(a) of the Companies Act, 2013, an extract of the Annual Return in the prescribed format is appended as Annexure-A to the Board's Report.

## 13. Numbers of meeting of Board

The Board met eight times during FY 2014-15. The details of which are provided in the Corporate Governance Report. The gap between any two meetings was within the period prescribed by the Companies Act, 2013.

## 14. Directors

Mr. Hakubhai J. Lalakiya, Mr. Subodhchandra T Shah, Mr. Hemant J Bhatt and Mr. Hasmukh H Adhvaryoo, are Independent Directors of the Company and have been holding the position for last few years. In addition to new provisions of the Companies Act, 2013 made applicable w.e.f. April 1, 2014, the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company. Hence, all four Directors have been reappointed with amended terms and conditions in the 26th Annual General Meeting of the Company held on August 12, 2014.

The Board has also appointed Dr. (Ms.) Margie S Parikh on the Board of the Company w.e.f. January 19, 2015 as Independent Director (Additional) of the Company under section 161 of the Companies Act, 2013. As per provisions of the Act, Dr. Margie S Parikh will hold the position upto conclusion of the 27th Annual General Meeting. The Company has also received the notice under section 160 of the Companies Act, 2013 from the member of the Company proposing her candidature for Director of the Company. The Board recommends the same for your approval.

Mr. J J Chandra, Chairman and Managing Director, retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends the same for your approval.

The Board has accepted the resignation of Mr. S T Shah, Independent Director of the Company at its meeting held on May 9, 2015. Mr. Shah has resigned from the Board due to ailing health with effect from close of business hours on

May 9, 2015. The Board places on record its deep appreciation for the valuable contribution made by him during his tenure as Director of the Company.

#### **15. Declaration of independence**

The Company has four Independent Directors on the Board of the Company. The Company has practice to take declaration of independence from all Independent Directors of the Company on his/ her appointment/ re-appointment and also in first meeting of the Board of Directors every year. All these Directors are abiding to intimate to the Board about any change in their status of independence in the very next board meeting after such change.

The Company has received the declarations from each Independent Director under section 149(7) of the Companies Act, 2013 that he/ she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

#### **16. Policy on Directors' appointment and remuneration**

The Board of Directors has renamed the Remuneration Committee as the Nomination and Remuneration Committee in its board meeting held on May 20, 2014 as required under section 178 of the Companies Act, 2013. Mr. Hasmukh Adhvaryoo is the Chairman of the Committee. Mr. Hakubhai Lalakiya and Mr. S T Shah were the members of the Committee. All three are Independent Directors of the Company.

The Committee has drafted the policy for nomination and appointment of directors on the board of the Company which contains the criteria determining qualifications, positive attributes and independence of a Director. The Committee has also drafted a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees. Both these policies have been submitted to the Board for their approval. The Board has approved the same in its meeting held on May 9, 2015. The same has been uploaded on the website of the Company. The same will be reviewed by the Committee on regular basis.

Further, the Company has devised a Policy for performance evaluation of Independent Directors, Board, Committees and other individual Directors.

#### **17. Qualification, reservation or adverse remark or disclaimer made by the auditors**

The statutory auditors have not qualified the report on the financial statements of the Company for the financial ended

on March 31, 2015. The statutory auditors have not put any adverse remark, reservation or disclaimer that the Board need to reply.

The same is the case for secretarial audit report for the financial year ended on March 31, 2015.

#### **18. Contract or arrangement with related party**

The Company has not entered into any contract or arrangement with related party which is not at arms' length requiring approval of shareholders in the general meeting as required under section 188 of the Companies Act, 2013.

The Audit Committee reviews all the transactions with related party on quarterly basis and recommends the same to the Board for their approval.

Your Directors draw attention of the members to Note no. 40 to the financial statement which sets out related party disclosures.

#### **19. Risk management**

The Company has framework for managing its risk. It has led down detail procedure to inform Board member about the Risk assessment and Minimization Procedure. The Company has made the policy in this regard and the same is reviewed periodically to ensure the executive management control risk through means of proper define framework.

#### **20. Internal Financial Control**

Adequate internal control systems are in place commensurate to the size and nature of operations. The Company continues to comply with high standards of corporate governance and provide our stakeholders accurate accounting and management information.

The Audit Committee directly oversees the work content of Internal Audit. The scope of work and coverage are periodically monitored and specific issues are looked into as needed.

#### **21. Corporate Social Responsibility**

The Corporate Social Responsibility Committee ("the CSR Committee") has been formulated by the Company which is headed by Mr. J J Chandra, Chairman and Managing Director of the Company. Mr. Hakubhai Lalakiya and Mr. Hasmukhbhai Adhvaryoo, Independent Directors of the Company are members of the Committee.

## Directors' Report

The Committee has recommended to the Board, a CSR Policy indicating the activities to be undertaken by the Company and specifying its implementation schedules and monitoring process. The same has been approved by the Board of Directors of the Company. One can access the same on website of the Company.

The CSR activities of the Company focus on quality health, quality education and environmental friendly production process. In addition to these three focus area, the Company also undertake need base initiatives in compliance with the schedule VII of the act.

The annual report on CSR in the format specified under rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014 has been annexed to this report as Annexure-B:

### 22. Particulars of employees

Except Managing Director and Whole-time Directors, there is no employee in the Company who have been paid the remuneration in excess of the limit specified in rule 5(2)(i) and (ii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

None of the employees of the Company was in receipt of remuneration in financial year 2014-15 which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

The details required to be disclosed as per rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been detailed as Annexure-C.

The Company assists and supports the individuals who believe that they have been subjected to coercive, disruptive behavior with appropriate support and remedial action.

The Company has been working towards creating and maintaining a safe working environment wherein all employees treat each other with courtesy, dignity irrespective of their gender, race, and religion.

### 23. Health, Safety, and Environment

The Company is taking continuous steps and also developing environment friendly processes for effective resource management with specific focus to energy, water and basic raw materials. Monitoring and periodic review of system

regarding health, safety and environment is done on a continuous basis with emphasis and focus given to safety at workplace.

### 24. Listing Status

The Company is listed on BSE Limited and National Stock Exchange of India Limited.

### 25. Corporate Governance

Your Company has always practiced sound corporate governance and takes necessary actions at appropriate times for meeting stakeholders' expectations while continuing to comply with the mandatory provisions of corporate governance.

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, the report on Management Discussion and Analysis, Corporate Governance as well as the Statutory Auditors' Certificate regarding compliance of conditions of Corporate Governance forms part of the Annual Report.

### 26. Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2015 are annexed to this report as Annexure-D.

### 27. Statutory 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 re-appointment. 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 139(1) of the companies Act, 2013. The audit committee and the board of directors recommended the re-appointment of M/s. Maharishi & Co., Chartered Accountants, as the Statutory Auditors of the company for the fiscal year ending on March 31, 2016.

### 28. Secretarial Auditors

The Board has appointed Ms. Nayna Parasmalji Chopra, Practising Company Secretary, to conduct the Secretarial Audit for the financial year 2014-15. The Secretarial Audit Report for the financial year ended March 31, 2015 is annexed

herewith as Annexure-E to this Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

#### 29. Other Disclosures:

The Company has not entered into few transactions and hence no disclosure is required. The list of such transactions is as under:

- The Company has not granted any loan or provided any guarantee or made any investment exceeds the limit specifies in section 186(2) of the Companies Act, 2013. Hence no approval from the shareholders in this regard is required.
- Your Company has not invited/ accepted any Fixed Deposits under the provisions of section 73 of the Companies Act, 2013 and the Rules made there under.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- No material changes and commitments have occurred after the close of the year till the date of this Report, which affect the financial position of the Company.
- The Company is not required to get its cost records audited for the financial year 2014-15.

#### Acknowledgements

The Directors wish to convey their appreciation to business associates for their support and contribution during the year. The Directors would also like to thank the employees, shareholders, customers, suppliers, alliance partners and bankers for the continued support given by them to the Company and their confidence reposed in the management.

For and on behalf of the Board  
Of ATUL AUTO LIMITED

Place : Shapar (Dist. Rajkot)  
Date : May 9, 2015

**J. J. Chandra**  
Chairman and Managing Director  
[DIN: 00057722]

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**

**As on the financial year ended on March 31, 2015**

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

**I. REGISTRATION AND OTHER DETAILS:**

A. CIN	:	L54100GJ1986PLC016999
B. Registration Date	:	18.06.1986
C. Name of the Company	:	Atul Auto Limited
D. Category/ Sub-Category of the Company	:	Public Company/ Limited by shares
E. Address of the Registered office and contact details	:	8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024 Phone: 02827 666000 E-Mail: investorrelations@atulauto.co.in
F. Whether listed company	:	Yes/ No
G. Name, Address and Contact details of Registrar and Transfer Agent, if any	:	Sharex Dynamic (India) Pvt. Ltd. Unit-1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai, Maharashtra, INDIA 400072 Phone: 022 2851 5606/ 5644 E-Mail: info@sharexindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the product/ service*	% of total turnover of the company#
1	Three Wheeler Automobiles	3753	96.72%

\* As per National Industrial Classification - Ministry of Statistics and Programme Implementation

# On the basis of Gross turnover

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Khushbu Auto Finance Limited	U74999GJ1994PLC022816	Associate	49.91%	2(6)

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

##### A. Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. PROMOTERS</b>									
(1) INDIAN									
(a) Individual	6,042,405	0	6,042,405	55.073	11,563,810	0	11,563,810	52.699	-2.374
(b) Central Govt.	0	0	0	0	0	0	0	0	0
(c) State Govt(s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corporate	0	0	0	0	0	0	0	0	0
(e) Banks/ FI	0	0	0	0	0	0	0	0	0
(f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total (A) (1):-	6,042,405	0	6,042,405	55.073	11,563,810	0	11,563,810	52.699	-2.37
(2) FOREIGN									
(a) Individual NRI	0	0	0	0	0	0	0	0	0
(b) Other Individual	0	0	0	0	0	0	0	0	0
(c) Bodies Corporates	0	0	0	0	0	0	0	0	0
(d) Banks / FI	0	0	0	0	0	0	0	0	0
(e) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
(f) Any Other Specify	0	0	0	0	0	0	0	0	0
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	6,042,405	0	6,042,405	55.073	11,563,810	0	11,563,810	52.699	-2.37
<b>(B) PUBLIC SHAREHOLDING</b>									
(1) INSTITUTIONS									
(a) Mutual Funds	0	0	0	0	1,806,823	0	1,806,823	8.234	8.234
(b) Banks / FI	0	0	0	0	0	0	0	0	0
(c) Central Govt.	0	0	0	0	0	0	0	0	0
(d) State Govt.	0	0	0	0	42,166	0	42,166	0.192	0.192
(e) Venture Capital Funds	0	0	0	0	8,000	0	8,000	0.036	0.036
(f) Insurance Companies	0	0	0	0	0	0	0	0	0
(g) FIs	160,000	0	160,000	1.458	1,329,269	0	1,329,269	6.058	4.6
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
(i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1):-	160,000	0	160,000	1.458	3,186,258	0	3,186,258	14.52	13.062
2. Non-Institutions									
(a) Bodies Corporate									
(i) Indian	1,104,105	90	1,104,195	10.064	1,163,963	180	1,164,143	5.305	-4.759
(ii) Overseas	0	0	0	0	0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	1,003,427	168,183	1,171,610	10.679	3,101,427	226036	3,327,463	15.164	4.485
(ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,860,503	13,500	1,874,003	17.08	1,325,031	0	1,325,031	6.038	-11.042

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Other (specify)									
Non Resident Indians	118,197	392,764	510,961	4.657	467,744	713,528	1,181,272	5.383	0.726
Overseas Corporate Bodies	0	600	600	0.005	0	1,200	1,200	0.005	0
Foreign Nationals	0	0	0	0	0	0	0	0	0
Clearing Members	107,826	0	107,826	0.983	194,023	0	194,023	0.884	-0.099
Trusts	0	0	0	0	0	0	0	0	0
Foreign Boodies - D R	0	0	0	0	0	0	0	0	0
Sub-total (B)(2):-	4,194,058	575,137	4,769,195	43.468	6,252,188	940,944	7,193,132	32.779	-10.689
Total Public Shareholding (B)=(B)(1)+ (B)(2)	4,354,058	575,137	4,929,195	44.926	9,438,446	940,944	10,379,390	47.299	2.37
<b>C. SHARES HELD BY CUSTODIAN FOR GDRs &amp; ADRs</b>									0.00
Grand Total (A+B+C)	103,96,463	575,137	10,971,600	100.00	21,002,256	940,944	21,943,200	100.00	0.00

**B. Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Share holding at the end of the Year 31.03.2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/ encumbered to total shares	
1	JAYANTIBHAI JAGJIVANDAS CHANDRA	675,871	6.16%	0	1,351,742	6.16%	0	0.00%
2	MAHENDRAKUMAR JAMNADAS PATEL	138,924	1.27%	0	277,848	1.27%	0	0.00%
3	ALPESH BHARATBHAI CHANDRA	73,080	0.67%	0	146,160	0.67%	0	0.00%
5	ANITA NIRAJBHAI CHANDRA	215,500	1.96%	0	131,000	0.60%	0	-1.37%
4	ASHOKKUMAR JAMNADAS PATEL	68,472	0.62%	0	136,944	0.62%	0	0.00%
6	BHARAT JAGJIVANDAS CHANDRA	487,953	4.45%	0	975,906	4.45%	0	0.00%
7	CHETANKUMAR VASANTRAI PATEL	110,268	1.01%	0	220,536	1.01%	0	0.00%
8	DHARMENDRABHAI JAGJIVANDAS CHANDRA	633,663	5.78%	0	1,267,326	5.78%	0	0.00%
9	HARISHBHAI JAGJIVANDAS CHANDRA	582,393	5.31%	0	1,164,786	5.31%	0	0.00%
10	HARSHABEN HARISHBHAI CHANDRA	105,900	0.97%	0	211,800	0.97%	0	0.00%
11	HETAL ALPESH CHANDRA	76,860	0.70%	0	153,720	0.70%	0	0.00%
12	HIREN VASANTRAI PATEL	69,480	0.63%	0	138,960	0.63%	0	0.00%
13	KAPILABEN BHARATBHAI CHANDRA	70,752	0.64%	0	141,504	0.64%	0	0.00%
14	KASHIBEN JAGJIVANDAS CHANDRA	339,588	3.10%	0	679,176	3.10%	0	0.00%
15	KRISHNABEN CHETANKUMAR PATEL	63,684	0.58%	0	127,368	0.58%	0	0.00%
16	KRUNAL J. CHANDRA	101,325	0.92%	0	202,650	0.92%	0	0.00%
17	MAHESHBHAI JAGJIVANDAS CHANDRA	645,033	5.88%	0	1,290,066	5.88%	0	0.00%
18	MANISHABEN ATULKUMAR CHANDRA	466,110	4.25%	0	932,220	4.25%	0	0.00%
19	MANISHABEN MAHENDRAKUMAR PATEL	60,856	0.55%	0	121,712	0.55%	0	0.00%

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Share holding at the end of the Year 31.03.2015			% change in shareholding during the year
		No. of Shares	% of total Shares of the company]	% of shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company]	% of shares Pledged/ encumbered to total shares	% change in shareholding during the year
20	MANJULABEN VASANTRAI PATEL	95,652	0.87%	0	191,304	0.87%	0	0.00%
21	MINABEN ASHOKKUMAR PATEL	60,856	0.55%	0	121,712	0.55%	0	0.00%
22	NIRAJ JAYANTIBHAI CHANDRA	102,559	0.93%	0	105,118	0.48%	0	-0.46%
23	PRAFULABEN JAYANTILAL CHANDRA	184,843	1.68%	0	269,686	1.23%	0	-0.46%
24	RAMABEN DAYALAL PATEL	91,252	0.83%	0	161,504	0.74%	0	-0.10%
25	RAMABEN JAMNADAS PATEL	157,744	1.44%	0	315,488	1.44%	0	0.00%
26	REKHABEN MAHESHBHAI CHANDRA	127,650	1.16%	0	255,300	1.16%	0	0.00%
27	USHABEN DHARMENDRABHAI CHANDRA	122,137	1.11%	0	244,274	1.11%	0	0.00%
28	VASANTRAI KURJIBHAI PATEL	114,000	1.04%	0	228,000	1.04%	0	0.00%

### C. Change in Promoters' Shareholding

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Increasing / Decreasing in shareholding	Reason	Shareholding at the end of the year 31.03.2015	
		No. of Shares	% of total Shares of the company	Date			No. of Shares	% of total Shares of the company
1	JAYANTIBHAI JAGJIVANDAS CHANDRA	675,871	6.16%	16.09.2014	675,871	Stock split	1,351,742	6.16%
2	MAHENDRAKUMAR JAMNADAS PATEL	138,924	1.27%	16.09.2014	138,924	Stock split	277,848	1.27%
3	ANITA NIRAJBHAI CHANDRA	215,500	1.96%	16.09.2014	215,500	Stock split	131,000	0.60%
				30.12.2014	-300,000	Transfer		
4	ALPESH BHARATBHAI CHANDRA	73,080	0.67%	16.09.2014	73,080	Stock split	146,160	0.67%
5	ASHOKKUMAR JAMNADAS PATEL	68,472	0.62%	16.09.2014	68,472	Stock split	136,944	0.62%
6	BHARAT JAGJIVANDAS CHANDRA	487,953	4.45%	16.09.2014	487,953	Stock split	975,906	4.45%
7	CHEKANKUMAR VASANTRAI PATEL	110,268	1.01%	16.09.2014	110,268	Stock split	220,536	1.01%
8	DHARMENDRABHAI JAGJIVANDAS CHANDRA	633,663	5.78%	16.09.2014	633,663	Stock split	1,267,326	5.78%
9	HARISHBHAI JAGJIVANDAS CHANDRA	582,393	5.31%	16.09.2014	582,393	Stock split	1,164,786	5.31%
10	HARSHABEN HARISHBHAI CHANDRA	105,900	0.97%	16.09.2014	105,900	Stock split	211,800	0.97%
11	HETAL ALPESH CHANDRA	76,860	0.70%	16.09.2014	76,860	Stock split	153,720	0.70%
12	HIREN VASANTRAI PATEL	69,480	0.63%	16.09.2014	69,480	Stock split	138,960	0.63%
13	KAPILABEN BHARATBHAI CHANDRA	70,752	0.64%	16.09.2014	70,752	Stock split	141,504	0.64%
14	KASHIBEN JAGJIVANDAS CHANDRA	339,588	3.10%	16.09.2014	339,588	Stock split	679,176	3.10%
15	KRISHNABEN CHEKANKUMAR PATEL	63,684	0.58%	16.09.2014	63,684	Stock split	127,368	0.58%
16	KRUNAL J. CHANDRA	101,325	0.92%	16.09.2014	101,325	Stock split	202,650	0.92%
17	MAHESHBHAI JAGJIVANDAS CHANDRA	645,033	5.88%	16.09.2014	645,033	Stock split	1,290,066	5.88%
18	MANISHABEN ATULKUMAR CHANDRA	466,110	4.25%	16.09.2014	466,110	Stock split	932,220	4.25%
19	MANISHABEN MAHENDRAKUMAR PATEL	60,856	0.55%	16.09.2014	60,856	Stock split	121,712	0.55%
20	MANJULABEN VASANTRAI PATEL	95,652	0.87%	16.09.2014	95,652	Stock split	191,304	0.87%
21	MINABEN ASHOKKUMAR PATEL	60,856	0.55%	16.09.2014	60,856	Stock split	121,712	0.55%
22	NIRAJ JAYANTIBHAI CHANDRA	102,559	0.93%	16.09.2014	102,559	Stock split	105,118	0.48%
				30.12.2014	-100,000	Transfer		

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014			Increasing / Decreasing in shareholding	Reason	Shareholding at the end of the year 31.03.2015	
		No. of Shares	% of total Shares of the company	Date			No. of Shares	% of total Shares of the company
23	PRAFULABEN JAYANTILAL CHANDRA	184,843	1.68%	16.09.2014	184,843	Stock split	269,686	1.23%
				30.12.2014	-100,000	Transfer		
24	RAMABEN DAYALAL PATEL	91,252	0.83%	16.09.2014	91,252	Stock split	161,504	0.74%
				22.12.2014	-14,000	Transfer		
				30.12.2014	-7,000	Transfer		
25	RAMABEN JAMNADAS PATEL	157,744	1.44%	16.09.2014	157,744	Stock split	315,488	1.44%
26	REKHABEN MAHESHBHAI CHANDRA	127,650	1.16%	16.09.2014	127,650	Stock split	255,300	1.16%
27	USHABEN DHARMENDRABHAI CHANDRA	122,137	1.11%	16.09.2014	122,137	Stock split	244,274	1.11%
28	VASANTRAI KURJIBHAI PATEL	114,000	1.04%	16.09.2014	114,000	Stock split	228,000	1.04%

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

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014		Date	Increasing / Decreasing in shareholding	Reason	Shareholding at the end of the year 31.03.2015	
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company
1	GOLDMAN SACHS INDIA FUND LIMITED	0	0.00	28.11.2014	376,965	Transfer		
				02.01.2015	250,905	Transfer		
				27.03.2015	21,528	Transfer		
				31.03.2015	11,704	Transfer	661,102	3.01
2	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	0	0.00	08.08.2014	300,000	Transfer		
				16.09.2014	300,000	Stock split		
				19.09.2014	4,386	Transfer		
				23.01.2015	-23,000	Transfer	581,386	2.65
3	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LTD A/C BIRLA SUNLIFE DIVIDEND YIELD FUND	0	0.00	18.04.2014	160,000	Transfer		
				16.09.2014	160,000	Stock split		
				31.12.2014	-20,000	Transfer		
				23.01.2015	-18,404	Transfer		
				30.01.2015	-1,050	Transfer	280,546	1.28
4	GOLDMAN SACHS TRUST-GOLDMAN SACHS EMERGING MARKETS EQUITY FUND	0	0	28.11.2014	113,342	Transfer		
				02.01.2015	154,319	Transfer	267,661	1.22
5	HDFC SMALL & MIDCAP FUND	0	0.00	25.07.2014	91,500	Transfer		
				01.08.2014	8,500	Transfer		
				29.08.2014	20,000	Transfer		
				05.09.2014	10,000	Transfer		
				16.09.2014	130,000	Stock split	260,000	1.19

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year 01.04.2014		Date	Increasing / Decreasing in shareholding	Reason	Shareholding at the end of the year 31.03.2015			
		No. of Shares	% of total Shares of the company				No. of Shares	% of total Shares of the company		
6	KEDIA SECURITIES PRIVATE LIMITED	810500	3.69	11.04.2014	-100,000	Transfer				
				12.09.2014	-37,965	Transfer				
				16.09.2014	672,535	Stock Split				
				19.09.2014	-81,692	Transfer				
				07.11.2014	-67,427	Transfer				
				21.11.2014	-402,500	Transfer				
				28.11.2014	-540,000	Transfer			253,451	1.16
7	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LTD A/C INDIA EXCEL (OFFSHORE) FUND	0	0.00	21.11.2014	175,000	Transfer				
				28.11.2014	100,000	Transfer				
				09.01.2015	-24,000	Transfer			251,000	1.14
8	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LTD A/C INDIA ADVANTAGE (OFFSHORE) FUND	0	0.00	21.11.2014	125,000	Transfer				
				28.11.2014	100,000	Transfer				
				09.01.2015	-17,000	Transfer				
				23.01.2015	-11,200	Transfer			196,800	0.90
				16.09.2014	112,758	0.51			16.09.2014	112,758
12.12.2014	-1,2047	Transfer								
19.12.2014	-15,000	Transfer								
31.12.2014	-12,500	Transfer								
9	DAYALAL GORDHANDAS PATEL	112758	0.51	16.09.2014	112,758	Stock split				
				12.12.2014	-1,2047	Transfer				
				19.12.2014	-15,000	Transfer				
10	RAAMDEO RAMGOPAL AGRAWAL	100000	0.46	19.09.2014	100,000	Stock split				
				02.01.2015	-5,000	Transfer			180,969	0.83
				20.02.2015	-20,000	Transfer			180,000	0.82

## V. INDEBTEDNESS

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

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

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

Sl. Particulars of Remuneration No.	Name of MD/ WTD/ Manager			Total Amount
	J J Chandra (Chairman and Managing Director)	M J Patel (Whole-time Director and CFO)	N J Chandra (Whole-time Director)	
1 Gross Salary	9,302,400	8,150,000	3,750,000	21,202,400
(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0	0
(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0	0	0
2 Stock Option	NIL	NIL	NIL	NIL
3 Sweat Equity	NIL	NIL	NIL	NIL
4 Commission as % of profit others, specify...	0	0	0	0
5 Others, please specify	NIL	NIL	NIL	NIL
Total (A)	9,302,400	8,150,000	3,750,000	21,202,400
Ceiling as per the Act				57,933,385

**B. Remuneration to other directors**

Sl. Particulars of Remuneration No.	Name of Directors					Total Amount
	ST Shah	Hemant Bhatt	Hasmukh Adhvaryoo	Hakubhai Lalakiya	Margie S Parikh	
1. Independent Directors						
• Fee for attending board committee meetings	100,000	80,000	119,000	109,000	10,000	418,000
• Commission	0	0	0	0	0	0
• Others, please specify	0	0	0	0	0	0
Total (1)	100,000	80,000	119,000	109,000	10,000	418,000
2. Other Non-Executive Directors	Vijay K Kedia					
• Fees for attending board committee meetings	30,000					30,000
• Commission	0					0
• Others, please specify	0					0
Total (2)	30,000					30,000
Total (B) = (1+2)	130,000	80,000	119,000	109,000	10,000	448,000
Total Managerial Remuneration						21,650,400
Overall ceiling as per the Act						63,726,723

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO*	Company Secretary	CFO#	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		2,94,312 <sup>@</sup>		2,94,312 <sup>@</sup>
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961		0		0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961		0		0
2	Stock Option		NIL		NIL
3	Sweat Equity		NIL		NIL
4	Commission as % of profit others, specify...				
5	Others, please specify		NIL		NL
	Total		294,312		294,312

\* No one has been designated as CEO in the Company.

# Mr. M J Patel, Whole-time Director has been designated as CFO of the Company whose remuneration has been provided in VI(A) above.

@ This is the total of salary paid to Ms. Purvi Mehta upto her resignation as Company Secretary of the Company and salary paid to Mr. Paras J Viramgama after he has been appointed as Company Secretary of the Company.

**VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:**

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

**ANNUAL REPORT ON CSR ACTIVITIES  
for the financial year ended on March 31, 2015**

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

1	A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee	:	Refer Section CSR in Board's Report
2.	The Composition of the CSR Committee	:	Refer Section CSR in Board's Report
3.	Average net profit of the Company for last three financial years	:	₹ 343,591,367/-
4.	Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above)	:	₹ 6,871,827/-
5.	Details of CSR spent during the financial year		
a.	Total amount to be spent for the financial year 2014-15	:	₹ 6,871,827/-
b.	Amount unspent, if any	:	₹ 1,264,319/-
c.	Manner in which the amount spent during the financial year	:	As detailed below

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Providing kidney dialysis Machine at Hospital	Promoting health care	Jamnagar, Gujarat	590,000	590,000	590,000	Through implementing agency
2	Providing Infrastructure support for kidney transplantation and research hospital	Promoting health care	Ahmedabad, Gujarat	3,500,000	2,500,000	2,500,000	Through implementing agency
3	Providing Financial assistance to hospitals for surgery of poor patients	Promoting health care	Ahmedabad, Gujarat	100,000	10,000	10,000	Through implementing agency
4	Blood donation camps	Promoting health care	Rajkot, Gujarat	400,000	162,000	162,000	Through implementing agency
5	Promoting education by providing educational materials, setting up of libraries, toy libraries, scholarships, coaching classes, computer hardware and software for smart classes, building infrastructure at schools, organizing workshops for enhancing skills etc	Promoting Education	Saurashtra Region, Gujarat	1,500,000	1,425,000	1,425,000	Through implementing agency

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Subheads: (1) Direct expenditure on projects or programs. (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
6	Ensuring Environmental sustainability through conservation of renewable energy, natural resources etc	Environment Sustainability	Saurashtra Region, Gujarat	1,000,000	920,508	920,508	Direct

\* Details of implementing agency: Ananda Bava Kidney Dialysis Centre, Atul Chandra Charitable Trust, Red Cross Society, Shree Vidhyamandal, Institute of Kidney Dialysis and Research Centre.

6. These CSR projects and programmes are ongoing and have a lifecycle of more than three to five years. This being the first year, your Company has taken steps in the right direction and going forward is committed to actively engage with the partners/ NGOs to execute the said projects and programs and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. A responsibility statement of the CSR Committee:

“The implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company”

-----  
**J. J. Chandra**

Chairman and Managing Director  
Chairman, CSR Committee

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2014-15, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2014-15 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sl. No.	Name of Director/ KMP	Remuneration of Director/ KMP for Financial Year 2014-15 (₹)	% increase in Remuneration in the Financial Year 2014-15	Ratio of Remuneration of each Director to median remuneration of employees	Comparison of the Remuneration of the KMP against the performance of the Company
1	J J Chandra, <i>Chairman and Managing Director</i>	9,302,400	26%	79.61	In FY 2014-15, Operating revenue increased by 15%, Profit Before Tax (PBT) increased by 39%, Profit After Tax (PAT) increased by 36%
2	M J Patel, <i>Whole-time Director &amp; CFO</i>	8,150,000	24%	69.77	
3	Niraj J Chandra, <i>Whole-time Director</i>	3,750,000	43%	32.10	
4	Paras J Viramgama, <i>Company Secretary and Compliance Officer</i>	282,531	NA	NA	
5	Purvi Mehta, <i>Company Secretary and Compliance Officer</i>	11,781	NA	NA	

- (ii) The Median remuneration of employees during financial year 2014-15 was ₹ 1,16,808/-
- (iii) In financial year 2014-15, there was an increase of 13.24% in Median remuneration of employees.
- (iv) The Company has 951 permanent employees on the rolls of the Company as on March 31, 2015.
- (v) Relationship between average increase in remuneration and company performance: In FY 2014-15, Operating revenue increased by 15%, Profit Before Tax (PBT) increased by 39%, Profit After Tax (PAT) increased by 36% whereas the increase in median remuneration of employees was 13.24%
- (vi) Comparison of remuneration of KMPs against performance of the Company: The remunerations of KMPs are revised every year as per the recommendations of the Nomination and Remuneration Committee and with approval of the Board of Directors and Shareholders. The remuneration of KMPs increased by average 28% whereas the Profit Before Tax and Profit After Tax of the Company in FY 2014-15 increased by 39% and 36% respectively.
- (vii) The Market Capitalization of the Company increased by 205% to ₹ 1,221 Crores on March 31, 2015 from ₹ 400 Crores on March 31, 2014.
- (viii) The Price Earnings ratio increased by 36.17% to 18.49 on March 31, 2015 from 13.58 on March 31, 2014.
- (ix) The Company came out with an IPO in the year of 1996 with an issue price of ₹ 22.00 per equity share of ₹ 10/- each. As on March 31, 2015, the market price of the equity share of having face value of ₹ 5/- was ₹ 556.55. An amount of ₹ 2200.00 (100 shares at issue price of ₹ 22.00) invested in the said IPO in 1996 would be worth ₹ 2.00 Lacs as on March 31, 2015. (This is excluding the dividend accrued and allotment of shares in Right/ Preferential issue.)
- (x) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2014-15 was 15% whereas the increase in the managerial remuneration for the same financial year was 28%.
- (xi) The key parameters for any variable component of remuneration: As per the policy designed by the Nomination and Remuneration Committee of the Company, the Company doesn't pay any variable commission to the employees including Directors/ KMPs. The Company revises the remuneration of all the employees on the basis of their performance every year.
- (xii) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : Not Applicable
- (xiii) It is hereby affirmed that the remuneration paid during the year is as per the Remuneration Policy of the Company

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

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

### 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 114 units to 108 units. This year we have reduced energy consumption per vehicle by 5.20%

Particulars	(₹ in lacs)	
	2014-15	2013-14
Electricity purchased		
Units	4,490,470	42,67,005
Amount (₹)	35,380,991	33,477,291
Rate per unit (₹)	7.88	7.85
Production in no.	41,565	37,447
Unit consumed per unit of production	108.03	113.95

### B. Technology Absorption

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. The Company has incurred following expenditure on R&D.

Particulars	(₹ in lacs)	
	2014-15	2013-14
Revenue expenditure	11.46	9.15
Capital expenditure	Nil	Nil
Total	11.46	9.15

#### Future Plan of Action

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

### C. Foreign Exchange Earnings and Outgo

As part of its core strategy, the Company is tapping on export markets where our product is suitable to the needs of the customers. During the year, 3.72% of our revenues were derived from exports. The Company is in process of establishing direct marketing network around the prospective geographies.

Foreign exchange earnings and outgoes are as under:-

Particulars	(₹ in lacs)	
	2014-15	2013-14
Earning	1,832	734
Expenditure	348	49
Net Foreign Exchange Earning (NFE)	1,484	685
NFE/Earning (%)	81.00	93.37

**SECRETARIAL AUDIT REPORT  
for the financial year ended on March 31, 2015**

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

To,  
The Members,  
ATUL AUTO LIMITED  
8B National Highway,  
Near Microwave Tower,  
Shapar (Veraval) , Dist. Rajkot,  
Gujarat, INDIA 360024

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended March 31, 2015, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable to the Company during the Audit period)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit period)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit period) and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not Applicable to the Company during the Audit period);
  - (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952; Employees State Insurance Act, 1948; Employees Liability Act, 1938; Equal Remuneration Act, 1976; Maternity Benefits Act, 1961; Minimum Wages Act, 1948 ; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Payment of Wages Act, 1936 and other applicable labour laws.
  - (vii) Environment Protection Act, 1986 and other environmental laws;
  - (viii) Factories Act, 1948;
  - (ix) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003

- (x) Indian Contract Act, 1872;
- (xi) Income Tax Act, 1961 and Indirect Tax laws;
- (xii) Indian Stamp Act, 1999;
- (xiii) Industrial Dispute Act, 1947;
- (xiv) Negotiable Instruments Act, 1881;
- (xv) Motor Vehicles Act, 1988;
- (xvi) The Motor Transport Workers Act, 1961
- (xvii) The Explosive Act, 1884
- (xviii) The Petroleum Act, 1934
- (xix) The Environment (Protection) Act, 1986
- (xx) The Water (Prevention and Control of Pollution) Act, 1974
- (xxi) The Air (Prevention and Control of Pollution) Act, 1981

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

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

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

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The Changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

**I further report that** during the audit period, there were no instances of:

- (i) Public / Rights / Preferential issue of shares /debentures / sweat equity.
- (ii) Redemption / buy-back of securities.
- (iii) Major decisions taken by the Members in pursuance to section 180 of the Companies Act, 2013.
- (iv) Merger/ amalgamation/ reconstruction etc.
- (v) Foreign technical collaborations.

Place: Shapar (Veraval) Dist. Rajkot  
Date: May 9, 2015

**CHOPRA NAYNA PARASMALJI**  
ACS: 32833CP No: 12187

ONE DIRECTION»

**CORPORATE  
GOVERNANCE  
REPORT**



Atul Auto Limited believes that good corporate governance is essential to achieve long term corporate goals and enhance stakeholders' value. The Company firmly takes Corporate Governance as a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the public trust and confidence. It is not just a compliance with laws, instead it is important business investment which is not only necessary to preserve your Company's reputation but also crucial for obtaining and retaining the business. We believe that Corporate Governance rests upon the four pillars of transparency, disclosure, monitoring and fairness to all.

Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the Company's objective of enhancing shareholder value and its image. Adopting high standards with transparency gives comfort to all existing and potential stakeholders including government & regulatory authorities, customers, suppliers, bankers, employees and shareholders.

The Company remains resolute in its commitment to conduct business in accordance with the highest ethical standards and sound Corporate Governance practices. The Company strongly believes that sound and unambiguous system of Corporate Governance practices go a long way in retaining investor trust and preserving the interest of all stakeholders. Its Business Ethics & Code of Conduct provides the overarching philosophy of its Corporate Governance practices.

#### **RIGHTS OF SHAREHOLDERS**

Your Company protects and facilitates shareholders' rights, provides adequate and timely information, opportunity to participate effectively in general meeting and ensure equitable treatment to all shareholders. The Company also makes aware the shareholders regarding their rights by uploading the relevant information on website of the Company.

#### **ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE**

Your Company recognises the rights of stakeholders and encourages co-operation between the Company and stakeholders to enable participation in Corporate Governance process.

#### **DISCLOSURE AND TRANSPERANCY**

Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

#### **BOARD OF DIRECTORS**

The Company believes that an active, well-informed and independent Board is necessary to ensure highest standards of Corporate Governance. A quality Board, being at the core of its Corporate Governance Practice, plays the most pivotal role in overseeing how the management serves and protects the long-term interests of all our stakeholders.

#### **COMPOSITION OF BOARD**

The Company has optimum combination of Executive and Non-Executive Director. As on March 31, 2015, there were nine (9) Directors on the Board of the Company. Out of them, five (5) were Independent Directors of the Company. One (1) is Non-Executive Non-Independent Director of the Company. The remaining three (3) Executive Directors are Promoter/ Part of promoter group. The Chairman of the Company is Executive Director. There is no Nominee or Shareholders' Director on the Board of the Company. The Company also has one Woman Independent Director.

#### **INDEPENDENT DIRECTORS**

Your Company has at its last Annual General Meeting (AGM) held on August 12, 2014, re-appointed Mr. Hakubhai Lalakiya, Mr. Hasmukhbhai Adhvaryoo, Mr. Hemant J Bhatt and Mr. S T Shah as Independent Directors pursuant to Sections 149, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued thereunder and Clause 49 of the Listing Agreement for the period of two (2) consecutive years upto August 11, 2016. The Independent Directors have submitted declarations that they meet the criteria of Independence as per the provisions of the Companies Act, 2013 and the Listing Agreement.

Further, the Board has appointed Ms. Margie S Parikh as Additional Independent Director of the Company pursuant to section 149, 161 and Schedule IV of the Companies Act, 2013 with effect from January 19, 2015. The said appointment is subject to approval of shareholders at the ensuing Annual General Meeting.

The Independent Directors have confirmed that they do not hold directorship in more than seven listed companies. Your Company had also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

#### **MEETINGS OF BOARD OF DIRECTORS**

During the financial year ended on March 31, 2015, eight (8) meetings of Board of Directors held on following dates: May 12, 2014, May 20, 2014, June 16 2014, June 26, 2014, August 04, 2014, August 21, 2014, November 1, 2014, January 19, 2014

## Report on Corporate Governance

The maximum time gap between two meetings did not exceed more than one hundred and twenty days.

### ATTENDANCE AT BOARD MEETINGS AND LAST ANNUAL GENERAL MEETING (AGM) AND DETAILS OF MEMBERSHIPS OF DIRECTORS' IN BOARDS AND BOARD COMMITTEES

The details of Directors' attendance for Board meetings and Annual General Meeting held during the financial year 2014-15 and their Chairmanship/ Membership of Board Committees of other companies are given in table below:

Name of Director	Nature of Directorship	Relationship with other Director	No. of meetings attended	Last AGM attended	No. of outside Directorship of Public Companies as on March 31, 2015	No. of Committee Membership# as on March 31, 2015	No. of Committee Chairpersonship# as on March 31, 2015
J J Chandra	Chairman and Managing Director	Father of Mr. N J Chandra	8	Yes	--	--	--
M J Patel	Who-time Director & CFO	--	8	Yes	--	--	--
Niraj J Chandra	Whole-time Director	Son of Mr. J J Chandra	6	Yes	--	--	--
Vijay K Kedia	Non-Executive Director	--	3	Yes	1	1	--
Hakubhai Lalakiya	Independent Director	--	6	Yes	--	--	--
Hasmukhbhai Adhvaryoo	Independent Director	--	7	Yes	--	--	--
Hemant J Bhatt	Independent Director	--	4	No	1	1	--
*Margie S Parikh	Independent Director (Additional)	--	1	No	--	--	--
@S T Shah	Independent Director	--	4	No	--	--	--

\* Appointed as Additional Director of the Company with effect from January 19, 2015

# Committee includes Audit Committee and Stakeholders Relationship Committee.

@ Resigned from the Board with effect from May 9, 2015

None of the Directors are members of more than ten board-level committees nor they are chairman of more than five committees in which they are members. Further, all the Directors have confirmed that they do not serve as an independent director in more than seven listed companies or where they are whole-time director in any listed company, then they do not serve as independent director in more than three listed companies.

#### INFORMATION SUPPLIED TO THE BOARD

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's

operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The following information is regularly provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy
- Minutes of the meetings of the Audit Committee and other Committees of the Board
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary

- Expansion projects and its status monitoring
- Fatal or serious accidents, injuries or any material environmental problems
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company
- Any issue involving possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company
- Details of any joint venture or significant collaboration agreement
- Transactions that involve substantial payment and receipt towards goodwill, brand equity or intellectual property
- Significant labour problems and their proposed solutions.
- Any significant development in human resources/industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Sale of material nature like equity investments and fixed assets, which is not in the normal course of business
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material
- Quarterly disclosure of all the investments made
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others
- Quarterly review of compliance status under various laws applicable to the Company
- Notices in respect of (a) Show cause (b) Demand (c) Penalty and (d) Prosecution, which are materially important
- Corporate Social Responsibility activities
- Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems
- Substantial non-payment of goods sold by company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Near term outlook

#### BOARD EVALUATION

The Nomination and Remuneration Committee of the Company approved the Performance Evaluation Policy during the year, which was adopted by the Board of Directors. The policy provides for evaluation of the Board, the Committees of the Board and

individual Directors, including the Chairman of the Board. The Policy provides that evaluation of the performance of the Board as a whole, Board Committees and Directors shall be carried out on an annual basis.

The performance evaluation of all the independent directors shall be done by the entire Board of Directors, excluding the director being evaluated. Independent Directors are required to evaluate the performance of non-independent directors and Board as a whole. The independent directors of the Company shall hold at least one meeting in a year to exercise the functions as mentioned in Act and its applicable Schedules. Independent directors shall review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors.

During the year, the first Evaluation cycle was completed by the Company internally which included the Evaluation of the Board as a whole, Board Committees, Individual Directors and Chairman. The exercise was led by Mr. Hemant J Bhatt, the Lead Independent Director of the Company. The rating has been assigned after taking inputs of Directors individually on the basis of criteria prescribed in the policy which can be accessed on [www.atulauto.co.in](http://www.atulauto.co.in). The results of the Evaluation were shared with the Board, Chairman of respective Committees and individual Directors. Based on the outcome of the Evaluation, the Board and Committees have agreed on the action plan to improve on the identified parameters.

#### SEPARATE MEETINGS OF THE INDEPENDENT DIRECTORS

During the year, meeting of Independent Directors was held two times without the presence of Non-Independent Directors and members of the management:

Date of Meeting	Total No. of Members	No. of Members Present
March 14, 2015	5	4
March 28, 2015	5	4

They have discussed:

- the performance of non-Independent Directors and the Board as a whole;
- the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors; and
- the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

# Report on Corporate Governance

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

## FAMILIARISATION PROGRAMME

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high Corporate Governance standards of the Company.

Your Company follows a structured orientation and familiarization programme for all the Directors including Independent Directors with a view to update them on the Company's policies and procedures on a regular basis.

Periodic presentations are made at the Board Meetings on business and performance, long term strategy, initiatives and risks involved. The details of familiarisation programme have been posted on the website of the Company [www.atulauto.co.in](http://www.atulauto.co.in)

## AUDIT COMMITTEE

The Audit Committee which acts as a link between the management, external and internal auditors and the Board of Directors of the Company is responsible for overseeing the Company's financial reporting process by providing direction to audit function and monitoring the scope and quality of internal and statutory audits.

### Composition

The Audit Committee comprises of Mr. S T Shah, Independent Director as Chairman, Mr. Hemant J Bhatt and Mr. Hakubhai Lalakiya, Independent Directors as Members.

Mr. Hemant J Bhatt has been designated as Chairman of the Audit Committee and Dr. Margie Parikh has been inducted as Member of the Committee on resignation of Mr. S T Shah with effect from May 9, 2015.

All members of the Audit Committee are financially literate and two-third of the members have expertise in accounting/financial management.

Mr. S T Shah, the then Chairman – Audit Committee could not remain present at the Annual General Meeting held on August 12, 2014. Mr. Hakubhai Lalakiya, Members of the Committee remained present in AGM in his place.

The Whole-time Director and CFO, Vice President – Finance, Head – Internal Auditor and the representative of Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have

attended all the Audit Committee meetings held during the year.

Mr. Paras J. Viramgama, Company Secretary and Compliance Officer is the Secretary to the Committee.

### Meetings & Attendance

The Audit Committee met four times during the year and the time gap between any two meetings did not exceed more than four months.

Date of Meeting	Total No. of Members	No. of Members Present
May 20, 2014	3	3
August 04, 2014	3	3
November 01, 2014	3	3
January 19, 2015	3	3

The Committee is governed by a charter adopted pursuant to the regulatory requirements and the Committee reviews the mandatory information as per requirement.

### Terms of reference in brief

#### Financials

- Review of the quarterly/ half-yearly/ annual financial statements with reference to changes, if any in accounting policies and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management, adjustments, if any arising out of audit findings.
- Compliance with listing and legal requirements relating to financial statements, qualifications, if any in the draft audit report.

#### Internal controls and risk management

- Review of internal audit function and discussion on internal audit reports.
- Review of vigil mechanism and above all adequacy of internal control systems.
- Review of risk management policies especially enterprise level risk management.

#### Compliance and other related aspects

- Disclosure of related party transactions and subsequent modifications, if any.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the company.
- Uses/application of funds raised through an issue.
- Review and recommendation of appointment, remuneration and terms of appointment of statutory auditors.

- Review of other services rendered by the statutory auditors.
- Review of the management discussion and analysis of the financial conditions and results of operations, significant related party transactions, management letters issued by statutory auditors, internal audit reports.

The Audit Committee also looks into the matters as are specifically referred to it by the Board of Directors besides looking into the mandatory requirements of the Listing Agreement and provisions of Section 177 of the Companies Act, 2013.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee broadly plays a dual role of determining the composition of the Board based on need and requirements of the Company from time to time and determines the overall compensation framework and policy for Directors, senior management and employees. The Committee further reviews that the human resource practices of the Company are effective in maintaining and retaining a competent workforce.

#### Composition

The Nomination and Remuneration Committee comprises of Mr. Hasmukh Adhvaryoo, Independent Director as Chairman, Mr. S T Shah and Mr. Hakubhai Lalakiya, Independent Director as Member.

Ms. Margie Parikh has been inducted to the Committee on resignation of Mr. S T Shah, Member of the Committee with effect from May 9, 2015.

Mr. Paras J. Viramgama, Company Secretary and Compliance Officer is the Secretary to the Committee.

The Remuneration Policy is available on company's website.

Details of remuneration paid to all Directors are provided in extract of Annual Return in this report.

#### Meetings & Attendance

The Nomination and Remuneration Committee met four times during the year:

Date of Meeting	Total No. of Members	No. of Members Present
May 20, 2014	3	3
August 04, 2014	3	3
November 01, 2014	3	3
January 19, 2015	3	3

#### Terms of reference in brief

- Formulate Remuneration Policy and a policy on Board Diversity. Formulate criteria for evaluation of Directors and the Board.
- To ensure that the Remuneration Policy shall also include the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.
- Identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance.
- To ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully; relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- Remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee is comprised of Mr. Hemant J Bhatt, Independent Director as the Chairman and Mr. S T Shah and Mr. Hasmukh Adhvaryoo, as members of the Committee.

Dr. Margie Parikh has been inducted to the Stakeholders' Relationship Committee on resignation of Mr. S T Shah with effect from May 9, 2015. On becoming Chairman of the Audit Committee, Mr. Hemant J Bhatt has been designated as member of the Stakeholders' Relationship Committee and Ms. Margie Parikh has been designated as Chairperson in place of Mr. Hemant J Bhatt.

Mr. Paras J. Viramgama, Company Secretary and Compliance Officer is the Secretary to the Committee.

The role of Stakeholders' Relationship Committee is as follows:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;

## Report on Corporate Governance

- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors.

### Meetings & Attendance

The Stakeholders' Relationship Committee met four times during the year:

Date of Meeting	Total No. of Members	No. of Members Present
May 20, 2014	3	3
August 04, 2014	3	3
November 01, 2014	3	3
January 19, 2015	3	3

### DETAILS OF SHAREHOLDERS' / INVESTORS' COMPLAINTS

Mr. Paras J. Viramgama, Company Secretary, is the Compliance Officer for resolution of Shareholder's/ Investor's complaints. During the Financial Year ended March 31, 2015, 14 complaints were received from the shareholders during the year. All complaints have been resolved to the satisfaction of the shareholders and none of them were pending as on March 31, 2015:

Nature of Complaint	Received During the year	Resolved During the year	Pending at the end of the year
Non-Receipt of the Annual Report	1	1	NIL
Non-Receipt of Bonus share certificate	3	3	NIL
Non-Receipt of the split share certificate	10	10	NIL

The Company has sub divided one equity share of the face values of ₹ 10/- each into two equity shares of ₹ 5/- each and the new share certificate on split have been dispatched to the registered address of all the shareholder who were holding shares in the physical form in the month of September-2014. The RTA of the Company received many share certificates as undelivered from postal authority due to non-updation of their registered address in the folio. Such shareholders have been dispatched the undelivered share certificate on their new address on receipt of the complaints from them.

### CSR (CORPORATE SOCIAL RESPONSIBILITY) COMMITTEE

Corporate Social Responsibility forms an integral part of the Company's business activities. Societal wellbeing and benefit enjoys a strategic and operational level focus as key indicators. The Company has formed CSR Committee as per requirement of Section 135 of the Companies Act, 2013.

The CSR Committee comprises of Mr. J J Chandra, Chairman and Managing Director as the Chairman and Mr. Hakubhai Lalakiya and Mr. Hasmukhbhai Adhvaryoo as members of the Committee.

Mr. Paras J. Viramgama, Company Secretary and Compliance Officer is the Secretary to the Committee.

### Meetings & Attendance

The CSR Committee met three times during the year:

Date of Meeting	Total No. of Members	No. of Members Present
August 04, 2014	3	3
November 01, 2014	3	3
January 19, 2015	3	3

The role of Corporate Social Responsibility Committee is as follows:

- formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- recommending the amount of expenditure to be incurred on CSR activities of the Company;
- reviewing the performance of the Company in area of CSR;
- providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- monitoring CSR Policy of the Company from time to time;
- monitoring the implementation of the CSR projects or programs or activities undertaken by the Company;

The report on CSR activities done during the year has been included as an annexure to the Directors report.

### SUBSIDIARY COMPANY

The Company does not have any subsidiary Company.

### RISK MANAGEMENT

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

### MEANS OF COMMUNICATIONS

#### Publication of quarterly financial results:

Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in leading English and vernacular newspaper like Economic Times, Financial Express, Business Standard etc.

### **Website and News Releases:**

A separate section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly, Half-yearly and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

### **Stock Exchange:**

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other Rules and Regulations issued by SEBI.

### **NEAPS (NSE Electronic Application Processing System):**

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.

### **BSE Corporate Compliance & Listing Centre:**

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements are also filed electronically on the Listing Centre.

### **RELATED PARTY TRANSACTIONS (RPTs)**

Your Company enters into various transactions with related parties as defined under Section 2(76) of the Companies Act, 2013 in its ordinary course of business at arms' length prices. All the RPTs are undertaken in compliance with the provisions set out in Companies Act, 2013 and Clause 49 of the Listing Agreement. The Audit Committee and the Board of Directors of the Company have formulated the Policy on dealing with RPTs and a Policy on materiality of RPTs which is uploaded on the website of the Company.

The Company has a robust process for RPTs and the transactions with Related Parties are referred to the Audit Committee for its prior approval at the scheduled quarterly meetings or as may be called upon from time to time along with all relevant and stipulated information of such transaction(s).

During the financial year ended March 31, 2015, there are no transactions with related parties which qualify as a material transaction in terms of the applicable provisions of Clause 49 of the Listing Agreement. The details of the RPTs are set out in the Notes to Financial Statements forming part of this Annual Report.

### **DISCLOSURES**

#### **Related Party Transactions**

The policy on Related Party Transactions is hosted on the website of the Company.

#### **Disclosure of Accounting Treatment**

Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

#### **Remuneration to Directors**

Non-Executive Directors including Independent Directors are paid fixed sitting fees for attending Board and Committee meetings, as approved by the Board of Directors within statutory limits. No remuneration by way of salary or perquisites or commission or stock option except dividend paid to any of the Non-Executive Directors during the financial year 2014-15.

The Executive Directors are paid remuneration as approved by the Board and Shareholders of the Company.

The complete details of the remuneration paid to the Directors have been included in the extract of the Annual Report in this Annual Report.

#### **Management Discussion and Analysis Report**

Management Discussion and Analysis Report comprising of all information as prescribed under Clause 49 (VIII)(D) of the Listing Agreement is attached as Annexure to the Directors' Report.

Disclosures have been made by the Senior Management relating to all material, financial and commercial transactions with personal interests, if any. Based on the declarations made, no transaction was in conflict with the interest of the Company.

#### **Code Of Conduct**

Your Company has adopted a Code of Conduct for members of the Board and the Senior Management and Code of Conduct for Independent Directors. The same have been posted on the website. The Codes aim at ensuring consistent standards of conduct and ethical business practices across the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended March 31, 2015. The declaration to this effect signed by Mr. J J Chandra, Chairman and Managing Director of the Company forms part of the report.

#### **Shareholders**

The details relating to appointment and re-appointment of Directors as required under Clause 49(VIII)(E) of the Listing Agreement is provided in the Notice of the Annual general Meeting.

# Report on Corporate Governance

## Vigil Mechanism/ Whistle Blower Policy

Your Company has established a Vigil Mechanism/ Whistle Blower Policy to enable stakeholders (including Directors and employees) to report unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct. The Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

Your Company hereby affirms that no Director/ employee has been denied access to the Chairman of the Audit Committee and that no complaints were received during the year.

The Whistle Blower Policy has been disclosed on the Company's website.

## Compliance with Capital Market Regulations

The Company has complied with all the requirements of regulatory authorities and no penalties or strictures were imposed on the Company by stock exchanges or SEBI or any other statutory authority on any matter related to capital market during the last three years.

In compliance with SEBI's regulation on prevention of insider trading, the Company has instituted a comprehensive insider trading code for its management and designated executives, which advises them on procedures to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them of the consequences of violations. No violations have been reported during the year.

## Compliance with non-mandatory requirements of clause 49 of the listing agreement

In addition to mandatory requirements of the listing agreement, your Company has also complied with following non-mandatory requirements of the listing agreement:

### Audit qualifications:

During the year under review, there was no audit qualification on the Company's financial statements.

### Reporting of Internal Auditor:

The Head – Internal Audit reports to CFO and Chairman and Managing Director and he has direct access to the Audit Committee and he participates in the meetings of the Audit Committee of the Board of Directors of the Company and presents his internal audit observations to the Audi Committee.

## GENERAL SHAREHOLDER INFORMATION:

### ANNUAL GENERAL MEETING:

Date	: Monday, August 31, 2015
Time	: 11:00am
Venue	: Registered Office of the Company 8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024

### DATE OF BOOK CLOSURE:

From	: Tuesday, August 25, 2015
To	: Monday, August 31, 2015

### DIVIDEND PAYMENT DATE:

Interim Dividend for FY 2014-15	
Declared by the Board of Directors	: Saturday, November 1, 2014
Paid on	: Thursday, November 20, 2014
Final Dividend for FY 2014-15	
Recommended by the Board of Directors	: Saturday, May 9, 2015
Subject to declaration in AGM on	: Monday, August 31, 2015
Will be paid by	: Wednesday, September 30, 2015
FINANCIAL YEAR:	: From April 1 to March 31

### LISTING DETAILS:

(i)BSE Limited, Mumbai	: BSE Scrip Code: 531795
(ii)National Stock Exchange of India Limited, Mumbai	: NSE Scrip Symbol: ATULAUTO
The Company has paid listing fees of both the stock exchanges for FY 2015-16.	

### ISIN

Old ISIN for equity share of ₹ 10/- each	: INE951D01010
New ISIN for equity share of ₹ 5/- each (Effective from 12th September, 2015)	: INE951D01028

### MARKET PRICE DATA:

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2015 are as under:

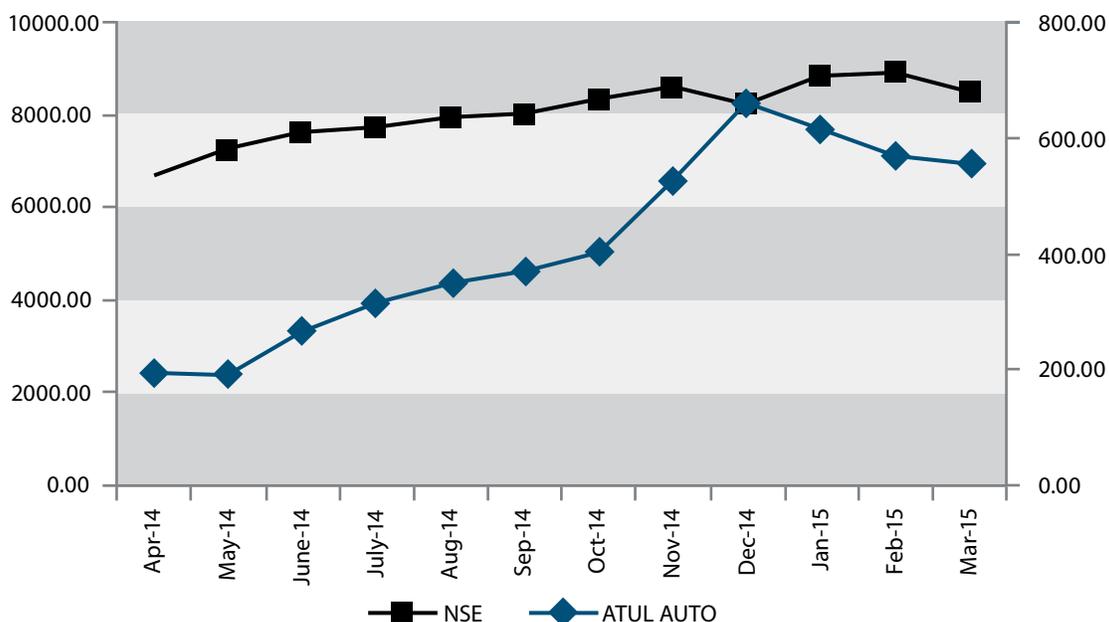
Month	BSE			NSE		
	High ₹	Low ₹	Volume (No. of shares)	High ₹	Low ₹	Volume (No. of shares)
Apr-14	411.80	340.00	185,890	409.00	337.00	748,011
May-14	400.00	364.00	126,900	400.05	361.00	366,555
Jun-14	547.50	382.70	177,822	548.45	384.95	491,611
Jul-14	674.50	483.00	216,841	674.00	480.55	475,810
Aug-14	739.15	609.00	854,671	738.35	607.30	1,316,757
Sep-14	834.80	330.00	505,298	834.70	656.00	1,731,209
Oct-14	408.00	329.85	419,462	409.00	328.35	1,088,846
Nov-14	555.00	375.05	2,049,941	554.40	375.00	5,500,326
Dec-14	687.40	522.25	3,697,795	688.00	526.55	10,780,929
Jan-15	722.00	578.85	1,280,947	721.80	550.10	4,858,455
Feb-15	627.30	535.45	580,932	628.00	536.15	1,845,722
Mar-15	615.00	532.50	451,887	615.00	535.50	1,914,766

\* The shares of face value of ₹ 10/- each has been sub-divided into two shares of face value of ₹ 5/- each in the month of September 2014. The ex-date for the same was September 12, 2014.

Source: BSE and NSE website

### PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

The Chart below shows the comparison of your Company's share price movement on NSE vis-à-vis the movement of the NSE Nifty for the financial year ended March 31, 2015 (based on month end closing):



\* The above graph demonstrates the market prices of the scrip adjusted to current face value of ₹ 5.00 per share for the purpose of graphical comparison.

# Report on Corporate Governance

## SHARE TRANSFER SYSTEM

The share transfer activities in respect of the shares in physical mode are carried out by the Company's Registrar and Transfer Agent (RTA). The shares lodged for transfer are processed and share certificates duly endorsed are returned within the stipulated time, subject to documents being valid and complete in all respects.

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder, etc., as mentioned in Clause 49 (VIII)(E)(5) of the Listing Agreement to the designated officials of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialisation, consolidation and renewal of share certificates are approved by the designated officials of the Company and reviewed by the Stakeholders' Relationship Committee. The same is placed before the Board of Directors from time to time for their review.

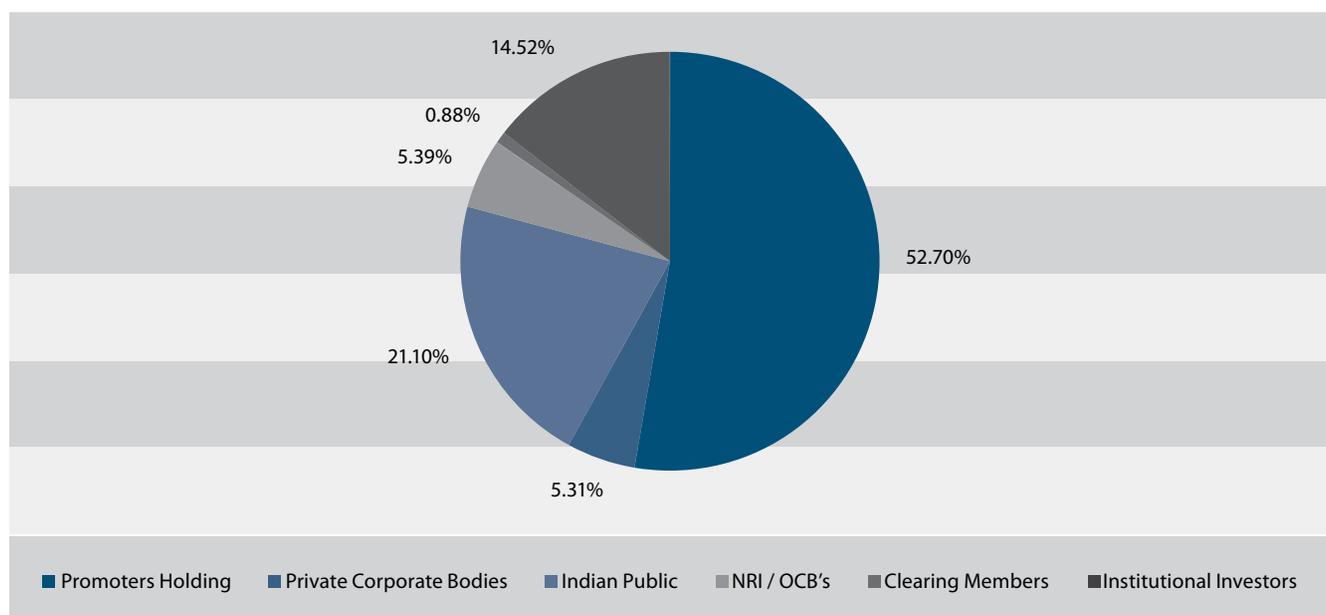
The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under Clause 47 (c) of the Listing Agreement and files a copy of the said certificate with Stock Exchanges.

## DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on March 31, 2015 is as follows:

Shares of Nominal Value		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Amount ₹	% of Amount
-	5000	13,873	93.97%	8,263,660	7.53%
5001	10000	402	2.72%	2,933,035	2.67%
10001	20000	209	1.42%	3,034,105	2.77%
20001	30000	77	0.52%	1,861,740	1.70%
30001	40000	41	0.28%	1,490,065	1.36%
40001	50000	25	0.17%	1,161,995	1.06%
50001	100000	53	0.36%	3,566,400	3.25%
100001	ABOVE	84	0.57%	87,405,000	79.66%
		14,764	100.00%	109,716,000	100.00%

## CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2015



### DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on March 31, 2015 are as under:

	No. of shares	% of shares
Physical Mode	940,944	4.29%
NSDL Holding	17,260,074	78.66%
CDSL Holding	3,742,182	17.05%
Total	21,943,200	100.00%

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

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

### INVESTOR COMMUNICATION DETAILS

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

#### Sharex Dynamic (India) Private Limited

Unit No. 1, Luthra Ind. Premises,  
1st Floor, 44-E, M Vasanti Marg,  
Safed Pool, Andheri-Kurla Road,  
Andheri (East), Mumbai-400072  
Phone : 022-2851 5606/5644  
E-Mail : info@sharexindia.com, sharexindia@vsnl.com  
Web : www.sharexindia.com

For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company:

#### Atul Auto Limited

8B National Highway, Near Microwave Tower,  
Shapar (Veraval), Dist. Rajkot  
Gujarat, INDIA 360024  
Phone : 02827 666000  
E-Mail : investorrelations@atulauto.co.in  
Web : www.atulauto.co.in

#### 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

### PLANT LOCATION:

Plant: I : Shapar Plant  
8B National Highway,  
Near Microwave Tower,  
Shapar (Veraval), Dist. Rajkot  
Gujarat, INDIA 360024

Upcoming Plant : II : Ahmedabad Plant  
Rajkot-Ahmedabad Highway,  
Near Super Gas Plant,  
Village Bhayla, Taluko Bavla, Dist. Ahmedabad  
Gujarat, INDIA 382220

## ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015

### DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2015.

Place: Shapar (Dist. Rajkot) Date: 9th May, 2015	<b>J J Chandra</b> Chairman and Managing Director	<b>M J Patel</b> Whole-time Director & CFO
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### CEO/CFO CERTIFICATE UNDER CLAUSE 49 (IX) OF THE LISTING AGREEMENT

To,  
The Board of Directors,  
Atul Auto Limited,  
Shapar (Veraval), Dist. Rajkot

We, Mr. J J Chandra, Chairman and Managing Director and Mr. M J Patel, Whole-time Director and CFO of the Company hereby certify that –

- A. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the step we have taken or propose to take to rectify these deficiencies.

D. We have indicated to the auditors and the Audit committee that:

1. there are no significant changes in internal control over financial reporting during the year;
2. there are no significant changes in accounting policies during the year and
3. there are no instances of significant fraud of which we have become aware.

Place: Shapar (Dist. Rajkot) Date: 9th May, 2015	<b>J J Chandra</b> Chairman and Managing Director	<b>M J Patel</b> Whole-time Director & CFO
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### AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Atul Auto Limited ('the Company'), for the year ended on 31st March, 2015, as stipulated in Clause 49 of the Listing Agreement of the Company entered into with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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

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

Place : Shapar (Dist. Rajkot)  
Date : 9th May, 2015

**Prashant Maharishi**  
Partner  
M. No: 41452

ONE DIRECTION»

# FINANCIAL STATEMENT



# Independent Auditor's Report

## To the Members of ATUL AUTO LTD

### REPORT ON THE STANDALONE FINANCIAL STATEMENTS

We have audited the accompanying standalone financial statements of ATUL AUTO LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

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

### OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its profit and its 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (2) As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

- c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 29 on Contingent Liabilities to the standalone financial statements;
- (ii) The Company did not have any long-term contracts including derivative contracts hence, the question of any material foreseeable losses does not arise;
- (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

-----  
**Prashant Maharishi**  
Partner  
M. No: 41452

## Annexure to Independent Auditor's Report

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date to the members of ATUL AUTO LTD on the standalone financial statements for the year ended March 31, 2015]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have not been physically verified by the management. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (ii) (a) The inventory (excluding stocks lying 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.
- (iii) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions stated in paragraph 3 (iii)(a) and 3 (iii)(b) 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 for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the Company under sub-section (1) of Section 148 of the Act and the rules framed there under.
- (vii) (a) The Company is generally regular in depositing with appropriate authorities, undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, however, there have been slight delay in few cases/ delays in deposit have not been serious.

AND

- (a) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the information and explanation given to us, the dues outstanding with respect to income tax, sales tax, wealth tax, service tax, value added tax, customs duty, excise duty, cess and any other material statutory dues applicable to it, 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 Central Excise Act, 1944	Excise Duty	1,681,585	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	474,336	2008-09 & 2009-10	Commissioner Appeals
The Finance Act, 1994	Service Tax	3,016,437	2011-12 & 2012-13	Commissioner Appeals
The Finance Act, 1994	Service Tax	404,258	2011-12 & 2012-13	Commissioner Appeals
The Finance Act, 1994	Service Tax	2,540,215	2013-14 & 2014-15	Commissioner Appeals

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	1,183,791	2000-01	Gujarat High Court
The Central Sales Tax Act, 1956	Central Sales Tax	202,531	2001-02	Gujarat High Court
The Gujarat Value Added Tax	Gujarat VAT	1,354,543	2006-07	VAT Appellate Tribunal
The Income Tax Act, 1961	Income Tax	2,023,708	2007-08	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	2,866,340	2008-09	Income Tax Appellate Tribunal
The Income Tax Act, 1961	Income Tax	2,157,820	2009-10	Income Tax Appellate Tribunal

(c) According to the information and explanations given to us, there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

- (viii) The Company does not have accumulated losses at the end of the financial year and has not incurred cash losses in the current and immediately preceding financial year.
- (ix) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (x) 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.
- (xi) The Company has not obtained any term loans.
- (xii) 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 we have been informed of any such instance by the management.

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

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**Prashant Maharishi**  
Partner  
M. No: 41452

# Balance Sheet as at March 31, 2015

(in ₹)

Particulars	Notes	31-Mar-15	31-Mar-14
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' Fund</b>			
(a) Share Capital	3	112,044,850	112,044,850
(b) Reserves & Surplus	4	1,098,623,556	832,665,513
Total Shareholders' Fund		1,210,668,406	944,710,363
<b>2 Non - Current Liabilities</b>			
(a) Deferred tax liabilities (Net)	5	51,943,500	61,231,100
(b) Long-term provisions	6	5,086,767	5,278,594
Total Non - Current Liabilities		57,030,267	66,509,694
<b>3 Current Liabilities</b>			
(a) Trade payables	7	267,495,863	271,605,692
(b) Other current liabilities	8	104,623,342	87,801,656
(c) Short-term provisions	9	134,430,275	75,385,165
Total Current Liabilities		506,549,480	434,792,513
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,774,248,153</b>	<b>1,446,012,570</b>
<b>II ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	10	788,156,439	517,621,715
(ii) Intangible assets	10	6,208,411	9,369,046
(iii) Capital work-in-progress		4,795,590	6,317,371
(b) Non-current investments	11	9,876,241	12,264,081
(c) Long-term loans and advances	12	73,524,844	49,635,119
Total - Non Current Assets		882,561,525	595,207,332
<b>2 Current Assets</b>			
(a) Inventories	13	260,016,400	233,652,582
(b) Trade receivables	14	322,466,752	130,681,290
(c) Cash and cash equivalents	15	273,590,791	451,494,902
(d) Short-term loans and advances	16	32,545,977	29,363,615
(e) Other current assets	17	3,066,708	5,612,849
Total - Current Assets		891,686,628	850,805,238
<b>TOTAL ASSETS</b>		<b>1,774,248,153</b>	<b>1,446,012,570</b>
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

For and on behalf of Board  
**J J Chandra**  
Chairman and Managing Director

**M J Patel**  
Whole time Director & CFO

**Prashant Maharishi**  
Partner  
M. No.: 41452  
Place: Rajkot  
Date: 09.05.2015

**Paras Viramgama**  
Company Secretary

# Statement of Profit & Loss for the year ended March 31, 2015



(in ₹)

Particulars	Notes	31-Mar-15	31-Mar-14
<b>I INCOME</b>			
Sales	18	5,350,927,837	4,795,532,816
<b>Less: Excise</b>		(450,205,120)	(502,973,044)
Revenue from operations		<b>4,900,722,717</b>	<b>4,292,559,772</b>
Other operating revenue		27,306,264	8,786,884
Other income	19	58,582,115	29,244,650
<b>TOTAL REVENUE</b>		<b>4,986,611,096</b>	<b>4,330,591,306</b>
<b>II EXPENSES</b>			
Cost of Raw Material and Components Consumed	20	3,735,851,262	3,303,925,513
Changes in inventories of finished goods work-in-progress	21	(13,776,592)	12,594,542
Employee benefits expense	22	323,632,975	273,621,445
Finance costs	23	5,919,561	3,460,552
Depreciation and amortization expense	24	55,810,284	52,122,340
Other expenses	25	303,087,171	257,382,101
<b>TOTAL EXPENSES</b>		<b>4,410,524,661</b>	<b>3,903,106,493</b>
<b>III Profit before tax &amp; exceptional items (I-II)</b>		576,086,435	427,484,813
IV Exceptional items	26	(16,452,664)	-
V Profit before tax (III-IV)		592,539,099	427,484,813
VI Tax expense:	27		
(1) Current tax		192,049,151	113,198,750
(2) Deferred tax		(5,220,600)	16,338,700
Sub-Total Tax Expenses		186,828,551	129,537,450
<b>VII PROFIT/(LOSS) FOR THE YEAR (V-VI)</b>		<b>405,710,548</b>	<b>297,947,363</b>
VIII Earnings per equity share	28	<b>18.49</b>	<b>13.58</b>
Basic & Diluted			
Summary of Significant Accounting Policies	2.1		

The notes referred to above forms an integral part of the Profit & Loss Account

As per our report of even date

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

For and on behalf of Board  
**J J Chandra**  
Chairman and Managing Director

**M J Patel**  
Whole time Director & CFO

**Prashant Maharishi**  
Partner  
M. No.: 41452  
Place: Rajkot  
Date: 09.05.2015

**Paras Viramgama**  
Company Secretary

## Cash Flow Statement for the year ended March 31, 2015

(in ₹)

Particulars	31-Mar-15	31-Mar-14
<b>A. Cash flow from operating activities</b>		
<b>Net profit before taxation</b>	592,539,098	427,484,813
Adjustment for:		
Depreciation & Impairment	55,810,284	52,122,340
Loss/(Profit) on sale of fixed assets	66,496	(51,022)
Unrealised Foreign Exchange Gain/(Loss)	(170,654)	(71,475)
Provision for diminution in value of Investment	2,387,840	28,179
<b>Operating Profit before working capital changes</b>	650,633,064	479,512,835
Movements in working capital:		
Decrease/-Increase in Trade Receivable	(191,688,555)	(59,090,985)
Decrease/-Increase in Inventories	(26,363,818)	(4,183,087)
Decrease/-Increase in Current and Non Current Assets (Loans & Advances and Other Assets)	66,445,397	(85,712,136)
Increase/-Decrease in Trade Payables	(1,561,646)	39,098,684
Increase/-Decrease in Non Current Liabilities	(191,827)	617,363
Increase/-Decrease in Current Liabilities & Provisions	25,330,500	3,037,113
Total Movement in Working Capital	(128,029,949)	(106,233,048)
Cash generated from operations	522,603,116	373,279,787
Direct taxes paid (net of refunds)	(164,712,828)	(133,718,234)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>357,890,288</b>	<b>239,561,553</b>
<b>B. Cash flow from investing activities</b>		
Purchase of fixed assets	(363,871,230)	(105,723,126)
Proceeds from sale of fixed assets	691,300	89,000
<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(363,179,930)</b>	<b>(105,634,126)</b>

(in ₹)

Particulars	31-Mar-15	31-Mar-14
<b>C. Cash flow form financing activities</b>		
Dividend paid	(93,260,146)	(109,716,000)
Tax on dividend paid	(17,494,774)	(18,646,235)
<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>(110,754,920)</b>	<b>(128,362,235)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(116,044,562)</b>	<b>5,565,192</b>
<b>Effect of change in cash or cash equivalent held in foreign currency due to exchange rate fluctuation</b>	<b>73,748</b>	<b>0</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>374,016,273</b>	<b>368,451,081</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>258,045,458</b>	<b>374,016,273</b>
<b>Components of cash and cash equivalents as at the end of the year</b>		
Cash and cheques on hand	157,720	209,896
Investment in Liquid securities	213,783,414	181,110,791
With bank		
- In current account	40,614,795	189,497,613
- In Unpaid Dividend account	3,489,530	3,197,973
<b>TOTAL</b>	<b>258,045,458</b>	<b>374,016,273</b>

**Notes:**

- Comparative figures have been regrouped wherever necessary.
- The cash flow statement has been prepared under the indirect method as set out in the Accounting Standard - 3 on Cash Flow Statement
- Cash and Bank Balance as per Note 15 includes ₹ 34,89,530/- (previous year ₹ 31,97,973/-) which are not available for use by the company as they represent corresponding unpaid dividend liabilities

As per our report of even date

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

For and on behalf of Board  
**J J Chandra**  
Chairman and Managing Director

**M J Patel**  
Whole time Director & CFO

**Prashant Maharishi**  
Partner  
M. No.: 41452  
Place: Rajkot  
Date: 09.05.2015

**Paras Viramgama**  
Company Secretary

# Significant Accounting Policies

## 1 NATURE OF OPERATIONS

ATUL ATUL LIMITED (the company) is a public company domiciled in India, incorporated on 18-06-1986. Its shares are listed on two stock exchanges in India - BSE Limited and National Stock Exchange of India Limited (NSE). The Company is engaged in manufacturing and selling of reputed brand of Auto Rickshaw. the Company caters both domestic and international market. 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 specified under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. 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 below, are consistent with those used in the previous year.

### 2.1 Summary of Significant Accounting Policies

#### (a) Change in Accounting Policy

##### i Depreciation on fixed assets

Till the year ended March 31, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

##### ii Useful lives/ depreciation rates

Till the year ended March 31, 2014 depreciation rates prescribed under Schedule XIV were treated as minimum rates and the company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Hence, this change in accounting policy did not have any material impact on financial statements of the company.

#### (b) Use of estimates

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

#### (c) Inventories

##### Inventories are valued as follows:

- i Raw materials, components, stores and spares are valued at 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 of raw materials, components and stores and spares is determined on a moving average basis.
- ii Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.
- iii Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

#### (d) Events occurring after Balance Sheet date

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

**(e) Depreciation**

- i Depreciation is provided using the Straight Line Method according to useful life of assets as provided in schedule II of the Companies Act, 2013 :
- ii Effective from April 1, 2014, the company has charged depreciation on the remaining useful life of the assets as per the requirement of Schedule -II of the Act. In respect of the assets completing its useful life, an amount of ₹ 78,98,374/- (₹ 119,65,374/- being WDV of assets completing its useful life and ₹ -40,67,000/- being deferred tax reversal thereon) has been adjusted against opening balance of the retained earnings in accordance with the transitional provision provided in Note 7(b) of the Schedule II of the act.
- iii Useful lives of assets estimated by management (years)
  - a Factory Buildings 30
  - b Other Buildings 60
  - c Plant and equipments 15
  - d Furniture and fixtures 10
  - e Office Equipment 5
  - f Vehicles 8
  - g Computer end user device 3
  - h Computer server 6
  - i Windmill 22

**(f) Intangible assets**

**i 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.

**ii 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.

**iii Research and development costs**

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale

- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortization and accumulated impairment losses. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of ten years. Amortization is recognized in the statement of profit and loss. During the period of development, the asset is tested for impairment annually.

**(g) 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.

**i Sales of Goods**

Revenue is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods or acceptance of title of the goods. Excise Duty included in the amount of turnover (gross) are deducted from turnover (gross) for disclosure of net turnover in the statement of Profit & Loss

**ii Interest**

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

**iii Dividends**

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

**iv Generation of Electricity**

Revenue from power generation is recognised on accrual basis as per the terms of power sale agreement.

## Significant Accounting Policies

### **v Others**

Other income is accounted for on accrual basis except where the receipt of income is uncertain.

### **(h) 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.

### **(i) 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 retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### **iii Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

### **(j) Investments**

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident."

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

### **(k) Employee Benefits**

#### **i 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 statement of Profit & Loss.

#### **ii Provident Fund**

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

extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

**iii Leave Salary**

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

**(l) Borrowing Cost**

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

**(m) 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.

**(n) Leases**

Leases, where the lessor effectively retain substantially all the risks and benefits of ownership of the leased item, are classified as operating lease. Operating lease payments are recognised as an expense in the statement of Profit and loss on a straight-line basis over the lease term.

**(o) Earning 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 are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such

as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(p) Income Taxes**

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse

## Significant Accounting Policies

during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit

to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

### **(q) Impairment of tangible and intangible assets**

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the company's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor

exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

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

**(r) Government grants and subsidies**

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

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

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

Government grants of the nature of promoters' contribution are credited to capital reserve and treated as a part of the shareholders' funds.

**(s) Provisions**

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

estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

*i Product Warranty Provisions*

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. The estimate of such warranty-related costs is revised annually.

*ii After Sales Service Provisions*

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

**(t) Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

**(u) Cash and cash equivalents**

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

## Notes

### 3 SHARE CAPITAL

	Notes	2014-15	2013-14
<b>a. Authorised Share</b>			
Equity Shares of ₹ 5 each			
No of Share		30,000,000	-
Amount		150,000,000	-
Equity Shares of ₹ 10 each			
No of Share		-	15,000,000
Amount		-	150,000,000
Issued & Subscribed Shares			
Equity Shares of ₹ 5 each			
No of Share		23,224,600	-
Amount		116,123,000	-
Equity Shares of ₹ 10 each			
No of Share		-	11,612,300
Amount		-	116,123,000
Paid up Shares			
Equity Shares of ₹ 5 each			
No of Share		21,943,200	-
Amount		109,716,000	-
Equity Shares of ₹ 10 each			
No of Share		-	10,971,600
Amount		-	109,716,000
Share Forfeiture		2,328,850	2,328,850
<b>TOTAL SHARE CAPITAL</b>		<b>112,044,850</b>	<b>112,044,850</b>

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

	2014-15		2013-14	
	No.	Amount ₹	No.	Amount ₹
At the beginning of the period	10,971,600	109,716,000	10,971,600	109,716,000
Sub division of 1 equity share of ₹10 each into 2 equity shares of ₹ 5 each	10,971,600	-	-	-
Outstanding at the end of the period	21,943,200	109,716,000	10,971,600	109,716,000

#### c Terms/Rights attached to Equity Shares

The company has only one class of equity shares having a value of ₹ 5 per Share (previous year ₹10/- per share). Each holder of equity shares is entitled to one vote per share.

The company declares and pays dividend in Indian Rupees. Interim Dividend declared by the Board of Directors and paid by the company during the year is ₹2.5/- per equity share of ₹ 5 each. Final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting of ₹ 2.5 per Share. During the year ended March 31, 2015 the amount of per share dividend recognized as distributed to equity shareholders was ₹ 5/- per equity share of ₹5/- each. (March 31, 2014 : ₹7.5 per equity share of ₹10 each).

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

	2014-15		2013-14	
	No.	% of total holding	No.	% of total holding
	Equity Share of ₹5 each		Equity Share of ₹ 10 each	
J J Chandra	1,351,742	6.16%	805,303	7.34%
M J Chandra	1,290,666	5.88%	645,033	5.88%
D J Chandra	1,267,326	5.78%	633,663	5.78%
H J Chandra	1,164,786	5.31%	582,393	5.31%
Kedia Securities Private Limited	253,451	1.16%	985,500	8.98%
Vijay K Kedia	-	0.00%	1,083,998	9.88%

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 during the period of five years immediately preceding the reporting date

	2012-13
Year of Allotment	
No of Shares Allotted	3,657,200
Class of Shares	Equity Shares

#### 4 RESERVES & SURPLUS

	2014-15	2013-14
A CAPITAL RESERVE	3,000,000	3,000,000
B SECURITIES PREMIUM ACCOUNT	47,791,850	47,791,850
C GENERAL RESERVE		
Opening Balance	84,134,894	54,340,158
Add: Transfer from Surplus	40,571,055	29,794,736
Closing Balance	124,705,949	84,134,894
D SURPLUS/(DEFICIT) IN THE STATEMENT OF PROFIT & LOSS		
i Opening Balance	697,738,769	525,857,818
ii Add: Profit during the year	405,710,547	297,947,363
iii Less: Transfer of WDV of assets completing its useful life	(11,965,374)	-
iv Add: Deferred Tax on assets completing its useful life	4,067,000	-
v Less: Interim Dividend	(54,859,546)	(43,886,400)
vi Less: Tax on Interim Dividend	(10,968,592)	(7,458,494)
vii Less: Proposed Dividend	(54,858,000)	(38,400,600)
viii Less: Tax on Proposed Dividend	(11,167,992)	(6,526,182)
ix Less: Transfer to General Reserve	(40,571,055)	(29,794,736)
x Net Surplus in the Statement of Profit & Loss	923,125,757	697,738,769
<b>TOTAL RESERVES &amp; SURPLUS</b>	<b>1,098,623,556</b>	<b>832,665,513</b>

## Notes

### 5 DEFERRED TAX LIABILITY

	2014-15	2013-14
a Deferred Tax Liability		
I Depreciation	56,323,500	59,227,600
II Product Development Cost & SAP Fees	2,110,200	3,138,200
	58,433,700	62,365,800
b Deferred Tax Assets		
i Impairment of Fixed Assets	612,600	312,300
ii Leave Salary	4,958,700	-
iii Gratuity	918,900	822,400
	6,490,200	1,134,700
<b>NET DEFERRED TAX LIABILITY</b>	<b>51,943,500</b>	<b>61,231,100</b>

### 6 LONG TERM PROVISIONS

	2014-15	2013-14
a PROVISION FOR EMPLOYEE BENEFITS		
Leave Salary	3,047,261	2,551,761
b OTHER PROVISIONS		
PROVISION FOR WARRANTY CLAIMS	2,039,506	2,726,833
<b>TOTAL LONG TERM PROVISIONS</b>	<b>5,086,767</b>	<b>5,278,594</b>

### 7 TRADE PAYABLES

	2014-15	2013-14
a FOR MATERIALS	220,778,064	223,646,233
b For Capital Goods	455,876	3,004,059
c FOR TRANSPORTATION EXPENSES	20,918,282	20,206,420
d For Services & Expenses	25,343,641	24,748,980
<b>TOTAL TRADE PAYABLES</b>	<b>267,495,863</b>	<b>271,605,692</b>

Details of dues to Micro, small and Medium Enterprises as per the 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<sup>st</sup> March, is given below:

		2014-15	2013-14
(i) Amounts unpaid as at year end	Principal	92,167,208	29,947,557
	Interest	122,499	-
(ii) Amounts paid after appointed date during the year		4,525,252	-
(iii) Amount of interest accrued and unpaid as at year end		122,499	-
(iv) Amount of interest paid during the year as per section 16		-	-

## 8 OTHER CURRENT LIABILITIES

	2014-15	2013-14
a Investor Education and Protection Fund will be credited by following amount (as and when due)*		
Unpaid Dividends	3,489,530	3,197,973
b Advances from Customers	10,062,632	15,818,937
c Statutory Dues	30,679,063	24,949,604
d Dealer's Deposit	40,689,194	36,756,953
e Expenses Payable	19,702,923	7,078,189
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>104,623,342</b>	<b>87,801,656</b>

## 9 SHORT TERM PROVISIONS

	2014-15	2013-14
(A) PROVISION FOR EMPLOYEE BENEFITS		
i Gratuity	5,122,955	2,419,497
ii Leave Salary	11,541,527	8,882,456
Total	16,664,482	11,301,953
(B) OTHER PROVISIONS		
i Provision for After Sales Service	11,114,375	8,082,700
ii Provision for PDI/WRC coupon	1,327,700	743,800
iii Provision for Warranty Claims	9,642,140	10,109,930
iv Provision for Income Tax (net of advance tax)	29,437,086	-
v Provision for Wealth Tax	218,500	220,000
vi Proposed Dividend	54,858,000	38,400,600
vii Provision for tax on Proposed Dividend	11,167,992	6,526,182
Total	117,765,793	64,083,212
<b>TOTAL SHORT TERM PROVISION</b>	<b>134,430,275</b>	<b>75,385,165</b>

### (C) 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 statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

	2014-15	2013-14
i NET EMPLOYEE BENEFIT EXPENSE RECOGNIZED IN THE EMPLOYEE COST		
Current Service Cost	3,851,827	3,564,909
Interest cost on benefit obligation	1,831,860	1,629,357
Expected return on plan assets	(1,638,300)	(260,967)
NET ACTUARIAL (GAIN)/LOSS RECOGNIZED IN THE YEAR	(1,341,929)	(1,972,405)
<b>Net Benefit Expenses</b>	<b>2,703,458</b>	<b>2,960,894</b>
ii BENEFIT ASSET/LIABILITY		
Present Value of defined benefit obligation	26,122,399	22,898,246
Fair Value of Plan Assets	(20,999,444)	(20,478,749)
<b>Plan (Asset)/Liability</b>	<b>5,122,955</b>	<b>2,419,497</b>

## Notes

	2014-15	2013-14
iii CHANGES IN THE PRESENT VALUE OF THE DEFINED BENEFIT OBLIGATION ARE AS FOLLOWS:		
Opening defined benefit obligation	22,898,246	20,366,966
Interest Cost	1,831,860	1,629,357
Current service cost	3,851,827	3,564,909
Benefit paid	(948,014)	(1,794,996)
Actuarial (gains)/losses on obligation	(1,511,520)	(867,990)
<b>Closing defined benefit obligation</b>	<b>26,122,399</b>	<b>22,898,246</b>
iv CHANGES IN THE FAIR VALUE OF PLAN ASSETS ARE AS FOLLOWS:		
Opening fair value of plan assets	20,478,749	11,408,364
Expected return	1,638,300	260,966
Contribution by employer	-	9,500,000
Benefits paid	(948,014)	(1,794,996)
Actuarial gains/(losses)	(169,591)	1,104,415
<b>Closing fair value of plan assets</b>	<b>20,999,444</b>	<b>20,478,749</b>

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:

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

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

Amounts for the current and previous periods are as follows

	2014-15	2013-14	2012-13	2011-12	2010-11
DEFINED BENEFIT OBLIGATION	26,122,399	22,898,246	20,366,966	12,837,957	11,209,434
Plan Assets	20,999,444	20,478,749	11,408,364	7,369,925	5,726,166
Experience Adjustment					
Plan Liabilities	(1,511,520)	(867,990)	3,855,220	(378,551)	2,604,192
Plan Assets	(169,591)	1,104,415	860,430	(399,725)	19,534

(D) PROVISION FOR WARRANTIES

A provision is recognized for expected warranty claims for last 24 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.

	2014-15	2013-14
At the beginning of the year	12,836,763	11,303,310
Arising during the year	15,288,934	15,736,722
Utilised during the year	(16,444,051)	(14,203,269)
<b>At the end of the year</b>	<b>11,681,646</b>	<b>12,836,763</b>

(E) PROVISION FOR AFTER SALES SERVICES

Provision for After Sales Service is made on the basis of estimation of balance of unutilised service coupon proportionate to the balance of free service period.

	2014-15	2013-14
At the beginning of the year	8,082,700	6,954,800
Arising during the year	20,029,454	17,051,234
Utilised during the year	(16,997,779)	(15,923,334)
<b>At the end of the year</b>	<b>11,114,375</b>	<b>8,082,700</b>

(F) PROVISION FOR PDI/WRC COUPON

Provision for PDI/WRC coupon is made at the sales of vehicles.

	2014-15	2013-14
At the beginning of the year	743,800	1,069,188
Arising during the year	4,048,143	3,130,465
Utilised during the year	(3,464,243)	(3,455,853)
<b>At the end of the year</b>	<b>1,327,700</b>	<b>743,800</b>

# Notes

## 10 FIXED ASSETS

Particulars	Land	Buildings	Plant & Machinery	Furniture & Fittings	Computer	Office Equipment	Vehicles	TOTAL Tangible Assets	Intangible
<b>GROSS BLOCK</b>									
As at 01/04/2013	4,659,820	126,224,631	425,863,446	48,946,967	17,445,663	8,944,723	27,233,997	659,319,248	26,951,639
Addition		55,785,525	69,325,445	9,271,315	2,168,971	2,233,527	4,611,277	143,396,061	5,250,000
Deletion			432,337					432,337	
<b>As at 31/03/2014</b>	<b>4,659,820</b>	<b>182,010,156</b>	<b>494,756,555</b>	<b>58,218,283</b>	<b>19,614,634</b>	<b>11,178,250</b>	<b>31,845,274</b>	<b>802,282,972</b>	<b>32,201,639</b>
Addition	313,535,813	1,222,456	19,825,827		1,093,470	229,968		335,907,534	
Deletion					46,551		786,316	832,867	
<b>As at 31/03/2015</b>	<b>318,195,633</b>	<b>183,232,612</b>	<b>514,582,382</b>	<b>58,218,283</b>	<b>20,661,553</b>	<b>11,408,218</b>	<b>31,058,958</b>	<b>1,137,357,639</b>	<b>32,201,639</b>
<b>ACCUMULATED DEPRECIATION</b>									
As at 01/04/2013		31,779,173	165,239,628	18,896,788	10,286,580	2,870,604	8,502,045	237,574,816	16,804,766
Addition		4,820,561	33,282,804	2,667,047	1,920,035	475,707	2,928,360	46,094,514	6,027,827
Deletion			244,632					244,632	
<b>As at 31/03/2014</b>	<b>-</b>	<b>36,599,733</b>	<b>198,277,800</b>	<b>21,563,835</b>	<b>12,206,615</b>	<b>3,346,310</b>	<b>11,430,405</b>	<b>283,424,698</b>	<b>22,832,593</b>
Addition		7,865,419	41,730,286	1,271,949	4,380,505	4,429,595	4,371,495	64,049,250	3,160,635
Deletion					11,485		63,595	75,080	
<b>As at 31/03/2015</b>	<b>-</b>	<b>44,465,153</b>	<b>240,008,086</b>	<b>22,835,784</b>	<b>16,575,635</b>	<b>7,775,906</b>	<b>15,738,305</b>	<b>347,398,868</b>	<b>25,993,228</b>
<b>IMPAIRMENT</b>									
As at 01/04/2013			933,519	303,040				1,236,559	
Addition									
Deletion									
<b>As at 31/03/2014</b>	<b>-</b>	<b>-</b>	<b>933,519</b>	<b>303,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,236,559</b>	<b>-</b>
Addition			441,696	55,395		68,682		565,773	
Deletion									
<b>As at 31/03/2015</b>	<b>-</b>	<b>-</b>	<b>1,375,215</b>	<b>358,435</b>	<b>-</b>	<b>68,682</b>	<b>-</b>	<b>1,802,332</b>	<b>-</b>
<b>NET BLOCK</b>									
As at 31/03/2014	4,659,820	145,410,423	295,545,236	36,351,408	7,408,020	7,831,940	20,414,869	517,621,715	9,369,046
As at 31/03/2015	318,195,633	138,767,459	273,199,081	35,024,063	4,085,919	3,563,631	15,320,653	788,156,439	6,208,411

## 11 NON-CURRENT INVESTMENT

### (A) TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)

	2014-15	2013-14
Investment in Equity Instrument (Quoted)	3,441	3,441
310 shares in Suzlon Energy Limited of ₹ 2 each (market value as at 31/03/2015 is ₹8,494/- (PY ₹3,441/-)		
(At cost less provision for other than temporary diminution of ₹28,179/- ) (PY 28,179/-)		
Extent of Holding	less than 1%	less than 1%

### (B) NON- TRADE INVESTMENTS (VALUED AT COST UNLESS STATED OTHERWISE)

	2014-15	2013-14
Investment in Associates (Unquoted)	9,872,800	12,260,640
22,96,000(previous year 22,96,000) equity shares of ₹ 10 each in Khushbu Auto Finance Limited		
(At cost less provision for other than temporary diminution of ₹1,31,99,360/-) (PY 1,06,99,360/-)		
Extent of Holding	49.91%	49.91%
i Aggregate amount of quoted investment	3,441	3,441
ii Aggregate amount of unquoted investment	9,872,800	12,260,640
<b>TOTAL NON CURRENT INVESTMENT</b>	<b>9,876,241</b>	<b>12,264,081</b>

## 12 LONG TERM LOANS & ADVANCES (UNSECURED CONSIDERED GOOD)

	2014-15	2013-14
a Advances for Capital Goods	51,154,917	24,217,634
b Security Deposit	1,795,177	6,943,498
c Balance with Govt authority	20,574,750	18,473,987
<b>TOTAL LONG TERM LOANS &amp; ADVANCES</b>	<b>73,524,844</b>	<b>49,635,119</b>

## 13 INVENTORIES (VALUED AT COST OR NET REALISABLE VALUE WHICHEVER IS LOWER)

	2014-15	2013-14
a Raw Material	194,549,445	181,962,219
b Work In Progress	21,878,993	8,230,012
c Finished Goods	43,587,962	43,460,351
<b>TOTAL INVENTORIES</b>	<b>260,016,400</b>	<b>233,652,582</b>

## 14 TRADE RECEIVABLES

	2014-15	2013-14
Unsecured Considered Good		
a Outstanding for more than 6 months from the date they become due for payment	1,044,814	868,423
b Others	321,421,939	129,812,867
<b>TOTAL TRADE RECEIVABLES</b>	<b>322,466,753</b>	<b>130,681,290</b>
Trade Receivables includes:		
i Dues from partnership firm in which the company's directors' relative are partners which is authorised dealer of the company and dues are in ordinary course of business	1,210,971	576,279
ii Dues from company in which the company's directors' relative are directors/ shareholders which is authorised dealer of the company and dues are in ordinary course of business	23,395,487	-

## Notes

### 15 CASH & CASH EQUIVALENT

	2014-15	2013-14
a Cash on Hand	157,720	209,896
b Balances with Bank		
i In Current Accounts	40,614,795	189,497,613
ii In unpaid dividend account	3,489,530	3,197,973
c Investment in securities for maturities less than 90 days	213,783,414	181,110,791
d Other Bank Balances		
In Fixed Deposit Account with original maturity of more than three months	15,545,332	77,478,629
<b>TOTAL CASH &amp; CASH EQUIVALENT</b>	<b>273,590,791</b>	<b>451,494,902</b>
Deposit of ₹1,55,45,332/- held as security against guarantee given by Bank.		

### 16 SHORT TERM LOANS & ADVANCES

	2014-15	2013-14
Advances to be received in cash or in kind (unsecured and considered good)		
a Advances to Suppliers	20,051,936	8,208,569
b Advance to Employees	1,617,165	1,706,945
c Other Advances	45,000	3,080,284
d Pre paid Expenses	5,252,510	4,985,334
e Balances with Govt Authority	5,579,366	11,382,483
<b>TOTAL SHORT TERM LOANS &amp; ADVANCES</b>	<b>32,545,977</b>	<b>29,363,615</b>
Short Term Loans & Advances includes		
i Dues from Key Managerial Personnel	-	-
ii Dues from relatives of Key Managerial Personnel	-	-

### 17 OTHER CURRENT ASSETS

	2014-15	2013-14
Income receivable and other assets	3,066,708	5,612,849
<b>TOTAL OTHER CURRENT ASSETS</b>	<b>3,066,708</b>	<b>5,612,849</b>

### 18 REVENUE FROM OPERATIONS

	2014-15	2013-14
a Sales of Vehicles	5,201,575,482	4,666,851,342
b Sales of Spares	149,352,355	128,681,474
c Less: Excise Duty	(450,205,120)	(502,973,044)
	4,900,722,717	4,292,559,772
d Other Operating Revenue	27,306,264	8,786,884
<b>TOTAL REVENUE FROM OPERATIONS</b>	<b>4,928,028,981</b>	<b>4,301,346,656</b>
Excise duty on sales amounting to ₹450,205,120/- (March 31, 2014: ₹ 502,973,044/-) has been reduced from sales in statement of profit and loss and excise duty on increase/decrease in stock amounting to ₹2,150,543/- (March 31, 2014: ₹-3,723,557/-) has been considered as (income)/expense in note 25 of financial statements.		
<b>Details of Product Sold under broad category</b>		
i Atul Gem	3,056,514,390	2,523,968,221
ii Atul Gemini	284,107,593	289,269,693
iii Atul Shakti	1,330,437,376	1,238,130,299
iv Atul Smart	98,164,066	127,608,560
v Spares	131,499,291	113,582,999
<b>TOTAL</b>	<b>4,900,722,717</b>	<b>4,292,559,772</b>

## 19 OTHER INCOME

	2014-15	2013-14
a Dividend*	19,171,424	20,933,647
b Gain on Sale of Mutual Fund	4,524,421	2,914,302
c Gain on Revaluation of Mutual Fund	309,907	224,616
d Interest		
i Bank FD	4,944,051	3,636,177
ii Other	-	39,205
iii Commercial Paper	-	897,000
iv Income Tax Refund	-	142,500
v Other Deposits	466,275	406,181
e Profit on sale of Fixed Assets	6,541	51,022
f Bad Debts Written off recovered	29,159,496	
<b>TOTAL OTHER INCOME</b>	<b>58,582,115</b>	<b>29,244,650</b>

\* Dividend includes dividend from investment in securities for less than 90 days.

## 20 COST OF RAW MATERIAL AND COMPONENTS CONSUMED

	2014-15	2013-14
a Consumption of Material	3,645,871,394	3,218,479,558
b Purchase Expenses	64,317,000	61,643,155
c Processing Charges	25,662,868	23,802,800
<b>TOTAL COST OF RAW MATERIAL AND COMPONENTS CONSUMED</b>	<b>3,735,851,262</b>	<b>3,303,925,513</b>
Major Components of Raw Material Consumption		
i Engine	1,125,618,161	1,005,847,288
ii Tyre	209,718,529	185,595,143
iii Battery	94,420,386	81,650,462
iv Other material, Process Charge and Purchase Expenses	2,306,094,187	2,030,832,620
	3,735,851,262	3,303,925,513

## 21 CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS

	2014-15	2013-14
<b>a Work in progress</b>		
i Opening Stock	8,230,012	7,068,575
ii Closing Stock	21,878,993	8,230,012
	(13,648,981)	(1,161,437)
<b>b Finished Goods</b>		
i Opening Stock	43,460,351	57,216,330
ii Closing Stock	43,587,962	43,460,351
	(127,611)	13,755,979
<b>TOTAL CHANGES IN INVENTORIES</b>	<b>(13,776,592)</b>	<b>12,594,542</b>

## 22 EMPLOYEE BENEFIT EXPENSES

	2014-15	2013-14
a Salary, Wages & Bonus	263,785,791	218,553,431
b Directors Remuneration	20,868,200	16,601,086
c Contribution to PF, Gratuity and superannuation	16,524,154	15,672,343
d Staff Welfare Expenses	22,454,830	22,794,585
<b>TOTAL EMPLOYEE BENEFIT EXPENSES</b>	<b>323,632,975</b>	<b>273,621,445</b>

## Notes

### 23 FINANCE COST

	2014-15	2013-14
a Interest Expenses	2,965,186	2,328,573
b Interest on Income Tax	1,347,087	479,851
c Bank Charges	1,260,255	184,292
d Other Borrowing Cost	347,033	467,836
<b>TOTAL FINANCE COST</b>	<b>5,919,561</b>	<b>3,460,552</b>

### 24 DEPRECIATION & AMORTISATION

	2014-15	2013-14
a Depreciation	52,083,876	46,094,513
b Amortisation	3,160,635	6,027,827
c Impairment	565,773	-
<b>TOTAL DEPRECIATION &amp; AMORTISATION</b>	<b>55,810,284</b>	<b>52,122,340</b>

### 25 OTHER EXPENSES

	2014-15	2013-14
a (Increase)/Decrease of excise duty on Finished Goods	2,150,543	(3,723,557)
b Advertising & Sales Promotion	76,084,691	74,968,513
c Auditor's Remuneration	1,700,380	1,214,370
d Communication Cost	4,462,909	3,592,834
e Director's Sitting Fees	448,000	80,000
f Donation	6,647,980	2,727,210
g Exchange Rate Difference	(1,810,375)	266,108
h Freight & Forwarding Expenses	29,729,546	11,770,303
i Insurance	1,050,874	1,129,061
j Legal & consultancy Charges	5,335,377	4,596,468
k Office Admin Expenses	5,275,932	4,372,741
l Other miscellaneous expenses	3,863,523	2,820,065
m Power & Fuel	29,017,311	27,044,346
n Printing & Stationary	1,156,877	1,561,820
o Rates and taxes	1,737,006	883,167
p Rent	4,519,714	4,456,777
q Repairs to buildings	4,116,150	11,153,641
r Repairs to Machinery	14,797,487	16,324,949
s Repairs to Others	22,291,004	19,325,258
t Research & Development Expenses	1,146,232	915,042
u Travelling & Conveyance	47,416,201	36,299,746
v Vehicle Expenses	4,339,949	868,338
w Warranty & After Sales Services	36,708,867	33,880,931
x Windmill Operation Charges	900,993	853,970
<b>TOTAL OTHER EXPENSES</b>	<b>303,087,171</b>	<b>257,382,101</b>
<b>Auditor's Remuneration includes</b>		
i For Audit Fee	900,000	800,000
ii For Limited Review	70,000	75,000
iii For Taxation matters	700,000	300,000
iv Other Matters	5,000	5,000
v Reimbursement expense	25,380	34,370
<b>TOTAL</b>	<b>1,700,380</b>	<b>1,214,370</b>

## 26 EXCEPTIONAL ITEMS

	2014-15	2013-14
a Compensation of Loss on account of Goodwill	(14,631,375)	
b Compensation of Loss on account of settlement of supplier claim	(4,209,129)	
c Provision for diminution in value of Investment of associate	2,387,840	
<b>TOTAL EXCEPTIONAL ITEMS</b>	<b>(16,452,664)</b>	<b>-</b>

## 27 TAX EXPENSES

	2014-15	2013-14
a Current Tax		
i Income Tax for current year	195,315,000	128,254,000
ii Tax of Earlier years	(3,265,849)	(15,055,250)
Total Current Tax	192,049,151	113,198,750
b Deferred Tax	(5,220,600)	16,338,700
<b>TOTAL TAX EXPENSES</b>	<b>186,828,551</b>	<b>129,537,450</b>

## 28 EARNING PER SHARE

	2014-15	2013-14
Net profit as per statement of Profit & Loss	405,710,547	297,947,363
No. of Shares	21,943,200	21,943,200
<b>EARNING PER SHARE</b>	<b>18.49</b>	<b>13.58</b>

During the year one equity share of ₹10 each is subdivided into two equity shares of ₹5 each by passing special resolution in AGM dated August 12, 2014. Hence no. of equity share for the current year and previous year is taken after sub-division of shares.

## 29 CONTINGENT LIABILITIES NOT ACKNOWLEDGED AS DEBT

	2014-15	2013-14
a CST	202,531	202,531
b Sales Tax	2,538,334	1,183,791
c Excise Duty	3,588,481	1,784,610
d Service Tax	6,435,246	474,336
e Income Tax	14,720,590	16,789,223
f Case Pending before Consumer Forum	3,454,375	1,733,875
g Case filed by investor for non allotment of right issue shares	1,346,259	1,346,259
h Case filed by the Supplier in the Court	-	111,179,796
<b>TOTAL CONTINGENT LIABILITIES</b>	<b>32,285,816</b>	<b>134,694,421</b>

## 30 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNTS AND NOT PROVIDED FOR

	2014-15	2013-14
For purchase of Assets	11,203,320	7,756,160

## 31 VALUE OF IMPORT ON CIF BASIS

	2014-15	2013-14
Purchase of Raw material	28,671,463	3,903,529
Purchase of Capital Goods	3,630,303	-

## Notes

### 32 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

	2014-15	2013-14
Travelling	2,481,823	964,742

### 33 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

	2014-15	2013-14
Period for which it relates	-	-
No. of Non Resident Shareholders	-	-
No. of Equity Shares held on which dividend was due	-	-
Amount Remitted	-	-

### 34 EARNINGS IN FOREIGN CURRENCIES

	2014-15	2013-14
Export at F.O.B. Value of vehicle and spares	168,060,429	72,182,999
Technical service income	15,159,462	1,210,433

### 35 CONSUMPTION

	2014-15		2013-14	
	Amount	%	Amount	%
Imported	13,650,746	0.37%	3,903,529	0.12%
Indigenous	3,632,220,648	99.63%	3,214,576,029	99.88%
Total	3,645,871,394	100.00%	3,218,479,558	100.00%

### 36 CSR EXPENDITURES DURING THE YEAR

	2014-15	2013-14
a Contribution to trusts/associations for medical relief activities	4,687,000	-
b Expenditure on renewable energy projects	920,508	-
<b>TOTAL CSR EXPENDITURE</b>	<b>5,607,508</b>	-

### 37 PARTICULARS OF UNHEDGED FOREIGN CURRENCY EXPOSURE AS AT THE REPORTING DATE

		2014-15	2013-14
Export Trade Receivable	USD	239,065	15,771
	INR	14,963,295	947,664

### 38 OPERATING LEASE - COMPANY AS A LESSEE

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

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

	2014-15	2013-14
Within one year	3,745,958	3,804,540
After one year but not more than five years	366,630	3,427,600
More than five years	-	-

### 39 PREVIOUS YEAR FIGURES

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

#### 40 RELATED PARTY DISCLOSURE

<b>a Name of Related Parties</b>		
Associate Company		
Khushbu Auto Finance Limited		
Key Management Personnel		
Jayantibhai J Chandra	Chairman & Managing Director	
Mahendra J Patel	Whole time Director and CFO	
Niraj J Chandra	Whole time Director	
Paras J Viramgama	Company Secretary (from 20/05/2014)	
Purvi Mehta	Company Secretary (upto 20/05/2014)	
Enterprises owned or significantly influenced by Key Personal Management or their relatives		
Atul Auto Agency		
Atul Auto Industries		
Atul Automotives		
Atul Motors Private Limited		
Atul Petroleum		
Khushbu Auto Private Limited		
New Chandra Motor Cycle Agency		
New Chandra Motor Cycle House		
Manas Bullion Private Limited		
		<b>2014-15</b>
		<b>2013-14</b>
<b>b Transaction with Related Parties</b>		
Enterprise owned or significantly influenced by key management personnel or their relatives		
Sales (inclusive of tax)		
Khushbu Auto Private Limited	440,220,874	434,682,007
New Chandra Motor Cycle Agency	26,331,565	30,236,511
New Chandra Motor Cycle House	4,526,861	5,228,445
<b>TOTAL</b>	<b>471,079,300</b>	<b>470,146,963</b>
Purchase (inclusive of tax)		
New Chandra Motor Cycle House	-	2,173,535
<b>TOTAL</b>	<b>-</b>	<b>2,173,535</b>
		<b>2014-15</b>
		<b>2013-14</b>
Warranty Claims/After Sales Service/PDI/WRC Charges		
Khushbu Auto Private Limited	1,577,291	1,450,962
New Chandra Motor Cycle Agency	83,808	154,586
<b>TOTAL</b>	<b>1,661,099</b>	<b>1,605,548</b>
Sales Incentive & Promotion		
Khushbu Auto Private Limited	12,690	-
New Chandra Motor Cycle Agency	16,867	-
<b>TOTAL</b>	<b>29,557</b>	<b>-</b>
Other Expenses		
Atul Auto Industries	21,850	-
Atul Automotives	-	21,349

Atul Motors Private Limited	3,311	4,371
Manas Bullion Private Limited	278,600	-
<b>TOTAL</b>	<b>303,761</b>	<b>25,720</b>
Key Managerial Personnel Remuneration		
J J Chandra	9,302,400	7,411,540
M J Patel	8,150,000	6,559,200
N J Chandra	3,750,000	2,630,346
Paras Viramgama	282,531	-
Purvi Mehta	11,781	-
<b>TOTAL</b>	<b>21,496,712</b>	<b>16,601,086</b>
Relatives of Key Managerial Personnel		
K J Chandra	818,520	674,112
<b>TOTAL</b>	<b>818,520</b>	<b>674,112</b>
<b>(C) Balance outstanding as at the end of the Year</b>		
Enterprise owned or significantly influenced by key management personnel or their relatives		
Receivable	24,606,458	576,279
Payable	464	227,217
Equity Capital Contribution in Associate Company	22,960,000	22,960,000

# Attendance Slip



## ATUL AUTO LIMITED

CIN: L54100GJ1986PLC016999

8-B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot -360024 (Guj)

27th Annual General Meeting – August 31, 2015

Name of Member(s):
Registered Address:
Folio No/DP Id Client Id:
No of shares:

I hereby record my presence at the 27th Annual General Meeting of the Company held on Monday, August 31, 2015 at 11:00 a.m. at the Registered Office of the Company at 8-B National Highway, Near Microwave Tower, Shapar (Veraval), District Rajkot, Gujarat-360024

.....  
Signature of Member/Proxy

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.



# Proxy Form

**[Pursuant to section 105(6) of the Companies Act, 2013 read with rule 19(3) of the Companies (Management and Administration) Rules, 2014]**

## ATUL AUTO LIMITED

CIN: L54100GJ1986PLC016999

Regd. Off: 8-B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot -360024 (Guj)

27th Annual General Meeting – August 31, 2015

Name of Member(s):
Registered Address:
Folio No/DP Id Client Id:
E-Mail Address:

I/We, being the member (s) of ..... shares of the above named company, hereby appoint:

1	Name:	Address:
	E-Mail Id:	Signature:
Or falling him/her		
2	Name:	Address:
	E-Mail Id:	Signature:
Or falling him/her		
3	Name:	Address:
	E-Mail Id:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company to be held on Monday, August 31, 2015 at 11:00 a.m. at the Registered Office of the Company at 8-B National Highway, Near Microwave Tower, Shapar (Veraval), District Rajkot, Gujarat-360024 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No	Resolution Particulars	Vote (Optional see note 4) (Please mention no of shares)		
		For	Against	Abstains
<b>Ordinary Business</b>				
1	Adoption of the financial statements of the Company for the year ended on 31st March, 2015 and the reports of the Board of Directors thereon and Auditors thereto.			
2	Declaration of final dividend for FY 2014-15			
3	Reappointment of Mr. J J Chandra, who retires by rotation			
4	Reappointment of M/s. Maharishi & Co. as statutory auditors of the Company			
<b>Special Business</b>				
5	Appointment of Dr. Margie S Parikh, as Independent Director			
6	Revision in remuneration of Mr. J J Chandra, Chairman and Managing Director			
7	Revision in remuneration of Mr. M J Patel, Whole-time Director & CFO			
8	Reappointment and Revision in remuneration of Mr. Niraj J Chandra, Whole-time Director			
9	Adoption of new set of articles of association of the Company			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

.....  
Signature of Shareholder

.....  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Notes:**

1. This Form, in order to be effective should be duly stamped, completed, signed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. It is optional to indicate your preference. If you leave the for, against or abstain column blank against any or all resolutions, your proxy will be entitled to vote in the manner as he/she may deem appropriate.

# Notes



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ONE DIRECTION»





## **ATUL AUTO LIMITED**

CIN: L54100GJ1986PLC016999

8-B National Highway, Near Microwave Tower,  
Shapar (Veraval), Dist. Rajkot -360024 (Guj)

[www.atulauto.co.in](http://www.atulauto.co.in)