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ATUL AUTO LIMITED  
ANNUAL REPORT 2021-22

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# TOWARDS A GREENER TOMORROW





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# VISION

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



# MISSION

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

## CORPORATE INFORMATION

### AUDIT COMMITTEE

Aarti J Juneja, Chairperson  
Mohan Jit Walia  
Dr. Jaichander Swaminathan  
Vijay Kumar Goel

### NOMINATION AND REMUNERATION COMMITTEE

Mohan Jit Walia, Chairman  
Aarti J Juneja  
Dr. Jaichander Swaminathan  
Vijay Kumar Goel

### STAKEHOLDERS RELATIONSHIP COMMITTEE

Vijay Kumar Goel, Chairman  
Aarti J Juneja  
Mohan Jit Walia  
Dr. Jaichander Swaminathan

### CSR COMMITTEE

Jayantibhai J Chandra, Chairman  
Aarti J Juneja  
Mohan Jit Walia  
Vijay Kumar Goel

### RISK MANAGEMENT COMMITTEE

Mahendra J Patel  
Neeraj J Chandra  
Vijay K Kedia  
Dr. Jaichander Swaminathan

### STATUTORY AUDITORS

M/s. Kamlesh Rathod & Associates  
Chartered Accountants

### COMPANY SECRETARY AND COMPLIANCE OFFICER

Paras J. Viramgama

### REGISTERED OFFICE & MANUFACTURING FACILITY

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

### REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited  
C101, 247 Park, LBS Marg,  
Vikhroli West,  
Mumbai, Maharashtra, India 400 083  
Phone: 022 4918 6270  
E-Mail: rnt.helpdesk@linkintime.co.in  
Website: www.linkintime.co.in  
SEBI Reg. No: INR000004058

### BANKERS

IDBI Bank  
EXIM Bank  
ICICI Bank

### STOCK EXCHANGES

BSE Limited  
Script Code - 531795

National Stock Exchange  
of India Limited  
Script Symbol - ATULAUTO

Board Committee Status as on March 31, 2022

# CHAIRMAN'S LETTER



## Dear Shareholders,

Across the nation, we are celebrating 'Azadi Ka Amrit Mahotsav'. It has been a journey of glorious 75 years after Independence and India is emerging as an incredible global force with an impressive development marks on the socio-economic front. I take this opportunity to congratulate all of you for your contribution as citizens in this journey of pride and privilege!

The past two years were under the shadow of uncertainty due to pandemic. It had a severe impact on the Indian Economy and Automobile segment was no exception to it. There are several factors related to demands, supply and retail finance which affected the growth scenario. But FY22-23, flagged off with positive signs as we have witnessed greater relaxations in the Covid norms. Public life getting back on normalcy and this has been instrumental in reviving the market scenario.

## Key factors that affected the 3W Segment

Retail Finance is the lifeline of 3W Segment. During FY2021-22, due to Covid situation, NBFCs faced unprecedented challenges in the loan recovery.

Rising number of defaulters led to restrictions on new loans. In addition to this, the market witnessed a huge

chunk of resale vehicles that affected the sales of new 3 wheelers. There had been a shift from BS4 to BS6. Production and System revamp to meet the BS6 norms resulted into price hikes across the product range. These factors across the demand and supply fronts took a heavy toll on the overall growth of the 3W Segment across the country.

## Important Measures & Initiatives

After taking a meticulous review of the pandemic and post-pandemic scenarios, we undertook vital measures and initiatives to address the challenges. The manufacturing units have been updated to meet the BS6 norms. We have prepared the widest range of Car and Passenger 3 wheelers across 350KG & 500KG Platforms. In addition to this, we have also crafted a unique range of 24 Business Application Vehicles which is customized to the rising demands of the retail and institutional consumers. Khusbhu Finance Ltd. which used to be a partially owned NBFC, is now a 100% owned Subsidiary of Atul Auto. This is a major policy decision, which will help us boost the sales with our own NBFC wing.

As EV has become the fast growing segment, we have undertaken crucial strategic initiatives to explore this vertical with greater might. We have done a tie-up with a renowned European Manufacturing Brand, which will help us manufacture the Lithium Ion batteries on our own. The MOU has been signed in order to acquire the technological support on turnkey basis. This will help us achieve our own BMS on the fixed batteries. We are also joining hands with Honda to produce Swappable Batteries in the near future. These initiatives will help us produce highly advanced and cost effective EV Solutions in the time ahead.

## All Set to triumph together in FY22-23

We are now ready to ride on the promising growth prospects in the FY22-23. Be it technological upgrades, flawless product development, application vehicles development, retail finance measures and strategic roadmap on the EV front...we have taken all the necessary corrective measures. Our sales and service network across India has been streamlined to take on an aggressive, consolidated and sustainable growth journey ahead. Together, we shall not only recover and revive but shall also proceed towards laying new benchmarks of success and growth. I am sure; you will always be a stronger force behind us as we embark upon this new journey!

I look forward to a glorious way ahead!

**J J Chandra**

Chairman & Managing Director

# MANAGEMENT TEAM



**Jayantibhai J Chandra**  
Chairman and Managing Director



**Mahendra J Patel**  
Whole-time Director & CFO



**Neeraj J Chandra**  
Whole-time Director



**Vijay K Kedia**  
Non-Executive Director



**Aarti J Juneja**  
Independent Director



**Mohan Jit Walia**  
Independent Director



**Jaichander Swaminathan**  
Independent Director



**Vijay Kumar Goel**  
Independent Director



**JV Adhia**  
President- Accounts & Finance

# OUR DIVERSIFIED PORTFOLIO OF PRODUCTS

**ATUL** // **Gemini**  
(For export only)



PASSENGER 3+1

**ATUL** // **GEM**  
DIESEL/CNG/LPG



CARGO

**ATUL** **RIK**  
CNG/LPG



PASSENGER

**ATUL** **RIK+**



PASSENGER

**ATUL** // **Smart**  
CARGO - CNG



CARGO

**ATUL** **Shakti**  
3-WHEELERS  
DIESEL CARGO



CARGO

**ATUL** // **Elite**  
ELECTRIC



PASSENGER

**ATUL** **MOBILI**



PASSENGER



CARGO



CARGO



PASSENGER



CARGO



CARGO



CARGO

**ATUL** **ENERGIE<sup>2</sup>**



CARGO



PASSENGER 3+1



PASSENGER



PASSENGER



CARGO



DELIVERY VAN

# OUR PRESENCE

### Overseas Presence

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

### India Presence

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



INTERNATIONAL  
presence in  
21+ countries  
and growing

DOMESTIC  
Pan-India  
Dealer network

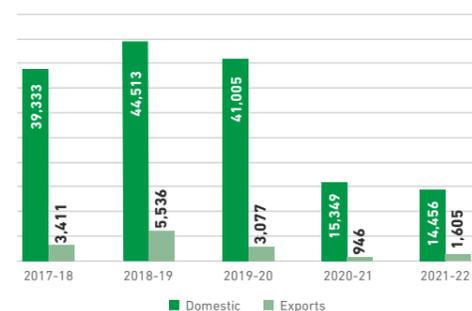
# FINANCIAL SCORECARD

₹ in Lacs except per share data, ratio and vehicles)

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
No. of vehicles sold	42,744	50,049	44,082	16,295	16,061
Total Revenue	55,855	67,363	62,848	29,776	29,621
Turnover (Net of Excise Duty & GST)	55,122	66,135	61,751	29,027	28,634
Profit before tax (PBT)	6,943	8,195	6,703	(1,320)	(3,249)
Profit before tax (%)	12.60%	12.39%	10.85%	-4.55%	-11.35%
Profit after tax (PAT)	4,619	5,312	5,239	(1,020)	(2,487)
Net Profit Ratio	8.38%	8.03%	8.48%	-3.51%	-8.69%
EBITDA (in Lacs)	7,512	8,835	7,446	(576)	(1,916)
EBITDA Margin (%)	13.51%	13.25%	11.91%	-1.95%	-6.52%
Paid up Share Capital (Equity)	1,097	1,097	1,097	1,097	1,097
Free Reserves & Surplus	20,842	24,763	29,228	28,226	25,782
Debt (Long Term + Short Term)	-	-	-	1,500	8,038
Equity / Shareholders' Fund	21,939	25,860	30,325	29,323	26,879
Earnings per Share (Face Value ₹ 5/-)	21.05	24.21	23.88	(4.65)	(11.33)
Dividend %	105%	80%	30%	--	--
Dividend Payout Ratio	30.04%	19.92%	7.57%	--	--
Market Capitalization	96,813	74,596	30,578	39,223	35,427
No of vehicles manufactured	42,660	50,153	43,408	16,432	16,277

# KEY TRENDS

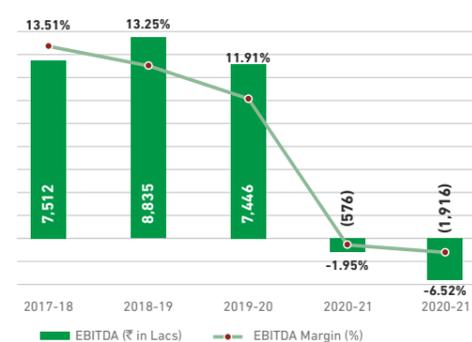
## NO. OF VEHICLES SOLD



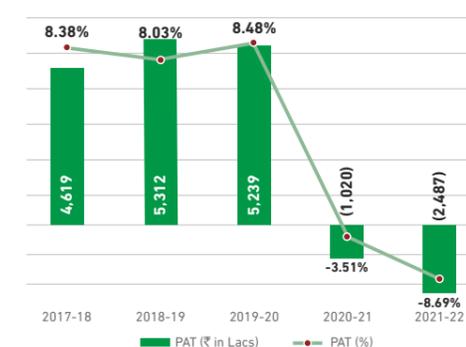
## TURNOVER



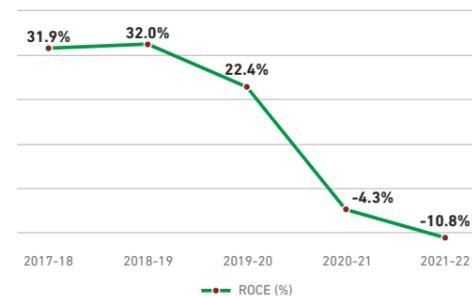
## EBITDA



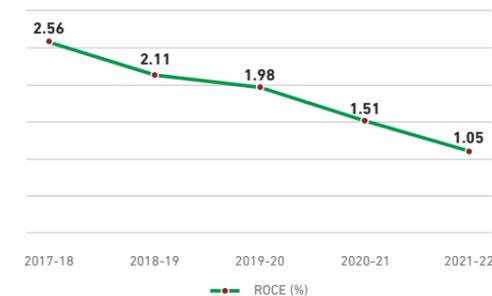
## PROFIT AFTER TAX



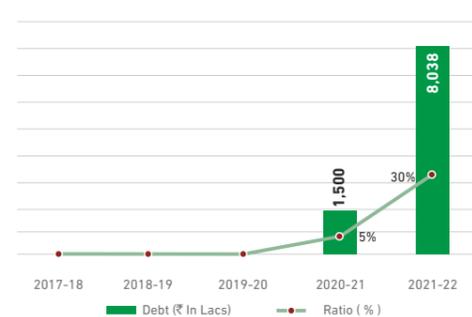
## RETURN ON CAPITAL EMPLOYED



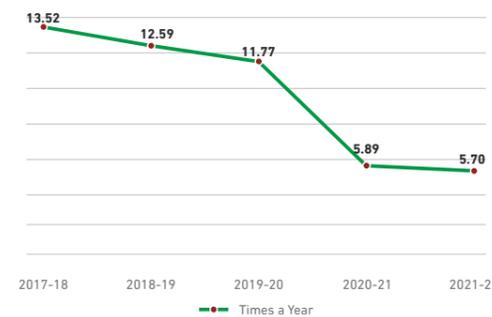
## CURRENT RATIO



## DEBT EQUITY RATIO



## INVENTORY TURNOVER



# NOTICE OF THIRTY FOURTH ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Fourth Annual General Meeting (AGM) of Members of Atul Auto Limited (CIN:L54100GJ1986PLC016999) will be held on Tuesday, September 27, 2022 at 11.00 am (IST) through Video Conference ("VC")/ Other Audio Visual Means ("OAVM") facility, to transact the following businesses:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited standalone and consolidated financial statements of the Company for the financial year ended March 31, 2022 together with Board's Report thereon and Auditors' Reports thereto.
2. To appoint a Director in place of Mr. Mahendra J Patel (DIN: 00057735) who retires by rotation and being eligible, offers himself for re-appointment.
3. Appointment of M/s. Maharishi & Co., Chartered Accountants (ICAI Firm Registration No. 124872W) as Statutory Auditors of the Company

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

**"RESOLVED THAT** that pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with the Companies (Audit and Auditors) Rules, 2014, [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof, for the time being in force] and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. Maharishi & Co., Chartered Accountants (ICAI Firm Registration No. 124872W), be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Kamlesh Rathod & Associates, Chartered Accountants whose term expires on conclusion of this Annual General Meeting (AGM) to hold office for period of Five (5) consecutive years from the conclusion of this 34th AGM until the conclusion of the 39th AGM to be held in the year 2027 at a remuneration to be determined by the Board of Directors of the Company in addition to out of pocket expenses as may be incurred by them during the course of the audit."

**"RESOLVED FURTHER THAT** the Board of Directors of the Company (including any Committee thereof), be authorised on behalf of the Company, including but not limited to determine role and responsibilities/ scope of work of the Statutory Auditors, to negotiate, finalise, amend, sign, deliver and execute the terms of appointment, including any contract or document in this regard and to alter and vary the terms and conditions of remuneration arising out of increase in scope of work, amendments to the Accounting Standards or the Act or Rules framed thereunder or the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other requirements resulting in any change in the scope of work, etc., without being required to seek any further consent or approval of the Members of the Company and to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for the purpose of giving effect to this Resolution and with power to the Board to settle all questions, difficulties or doubts that may arise in respect of the implementation of this Resolution."

## SPECIAL BUSINESS:

### 4. Re-appointment of Mr. Mohan Jit Walia (DIN: 08535435) as Independent Director

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

**"RESOLVED THAT** in pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, as well as the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Mohan Jit Walia (DIN: 08535435) who holds office as an Independent Director upto August 09, 2022, who being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 (three) years upto August 08, 2025.

**"RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for the purpose of giving effect to this Resolution and to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

### 5. Re- appointment of Mr. Jaichander Swaminathan (DIN: 08537472) as Independent Director

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

**"RESOLVED THAT** in pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014, as well as the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), Mr. Jaichander Swaminathan (DIN: 08537472) who holds office as an Independent Director upto August 25, 2022, who being eligible, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 3 (three) years upto August 24, 2025."

**"RESOLVED FURTHER THAT** the Board of Directors and/or the Company Secretary, be and are hereby authorize to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary or desirable for the purpose of giving effect to this Resolution and to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

**By order of the Board of Directors of  
Atul Auto Limited**

**(Paras J Viramgama)  
Company Secretary & Compliance Officer**

Shapar (Dist. Rajkot)

August 13, 2022

## Notes:

1. The Ministry of Corporate Affairs ("MCA") vide circular no. 20/2020 dated May 05, 2020 read with circular No. 14/2020 dated April 08, 2020, circular No. 17/2020 dated April 13, 2020, circular No 02/2021 dated January 13, 2021 and circular No 02/2022 dated May 05, 2022 (collectively referred to as 'MCA Circulars'), inter alia, permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") or through Other Audio-Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the above MCA Circulars, the Companies Act, 2013 ("Act"), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM on platform of National Securities Depositories Limited ("NSDL") for which detailed instructions are annexed to this Notice. Members attending the AGM through VC/OVAM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Since the AGM will be held through VC/ OAVM, the route map is not provided.
2. In compliance with the provisions of Section 108 of the Companies Act, 2013, Rules issued thereunder and the SEBI Listing Regulations, 2015, the business may be transacted through electronic voting system and the Company is providing facility for voting by electronic means ("e-voting") to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL for facilitating voting through electronic means, as the authorized agency. The person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on closing of September 20, 2022 i.e. cut-off date only shall be entitled to avail the facility of remote e-voting. The members may cast their votes on electronic voting system from place other than the venue of the meeting ("remote e-voting"). The Members attending AGM through VC/ OAVM who have not cast their vote by remote e-voting shall be eligible to vote through the same system during AGM till 15 minutes after the AGM is over. The detailed instructions for e-voting (including remote e-voting) are annexed to this notice.

The remote e-voting period will commence at 9.00 AM (IST) on Saturday, September 24, 2022 and will end at 5.00 PM (IST) on Monday, September 26, 2022. The remote e-voting module shall be disabled by NSDL for voting thereafter.
3. The deemed venue for thirty fourth AGM shall be the registered office of the Company at Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, India 360024 for all secretarial compliance and other purpose.
4. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Corporate/Institutional Members are entitled to appoint authorised representatives to attend the AGM through VC/OAVM on their behalf and cast their votes through remote e-voting or at the AGM. Corporate/ Institutional Members intending to authorize their representatives to participate and vote at the Meeting are requested to upload necessary documents as per instructions for remote e-voting.
6. Members of the Company under the category of Institutional Shareholders are encouraged to attend and participate in the AGM through VC/OAVM and vote thereat.
7. An Explanatory Statement pursuant to Section 102(1) of the Act, in respect of businesses to be transacted at AGM, as set out under Item No(s). 4 and 5 above along with the relevant details of the Directors as mentioned under Item No(s). 4 and 5 above as required by Regulations 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 ("the SEBI Listing Regulations") and as required under Secretarial Standards - 2 on General Meetings issued by the Institute of Company Secretaries of India, is annexed thereto.
8. The Board of Directors have considered and decided to include the Item No(s). 4 and 5 given above as Special Business in the forthcoming AGM, as they are unavoidable in nature.
9. The Register of Directors and Key Managerial Personnel and their shareholding maintained under section 170 of the Act and Register of Contracts or arrangements in which directors are interested maintained under section 189 of the Act and relevant documents referred to in this Notice of AGM and explanatory statement, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send a request email to [investorrelations@atulauto.co.in](mailto:investorrelations@atulauto.co.in)
10. The Register of Members and Share Transfer Books of the Company shall remain closed from September 21, 2022 to September 27, 2022 (both days inclusive) for the purpose of AGM.
11. In compliance with the MCA Circulars and SEBI Circulars dated May 12, 2020, January 15, 2021 and May 13, 2022, Notice of the AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2021-22 are available on the website of the Company at [www.atulauto.co.in/annual-reports.aspx](http://www.atulauto.co.in/annual-reports.aspx), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com). The Company's web-link as mentioned above will also be provided in advertisement being published in The Indian Express (English Language) and Financial Express (Gujarati Language).
12. In case of joint holders attending the Meeting, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
13. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered

- email address mentioning their name, DP ID and Client ID/ Folio Number, PAN, Contact Number at investorrelations@atulauto.co.in till September 22, 2022. Those members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
14. Member may also send their query in writing to investorrelations@atulauto.co.in on or before September 22, 2022, mentioning their name, DP ID and Client ID/ Folio Number, PAN, Contact Number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting. Members can also post their questions during AGM through active chat-board, which is available in the VC/OAVM Facility.
  15. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before September 22, 2022 through email on investorrelations@atulauto.co.in. The same will be replied by the Company suitably.
  16. As per the provisions of Section 72 of the Act and SEBI Circular, the facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares in physical form who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier nomination and record a fresh nomination, he/she may submit the same in ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the website of the Company at <https://atulauto.co.in/kyc-update.aspx> and is also available on the website of the RTA at <https://web.linkintime.co.in/KYC-downloads.html> whilst those Members holding shares in demat mode should file their nomination with their Depository Participant.
  17. KYC Update: Members are requested to update/intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone/mobile numbers, Permanent Account Number ('PAN'), mandates, nominations, power of attorney, specimen Signature, Nomination, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.,
    - For shares held in electronic form: to their Depository Participant only and not to the Company's RTA. Changes intimated to the Depositor Participant will then be automatically reflected in the Company's records which will help the Company and its RTA provide efficient and better service to the Members.
    - For shares held in physical form: to the Company's RTA in prescribed Form ISR-1, ISR-2, ISR-3, SH-13 and SH-14 pursuant to SEBI circular dated November 3, 2021, as per instructions mentioned in the form. The said forms can be downloaded from the Company's website at <https://atulauto.co.in/kyc-update.aspx> and is also available on the website of the RTA at <https://web.linkintime.co.in/KYC-downloads.html>
    - In case, any one of the cited details/documents (i.e. PAN, Address with PIN code, Email address, Mobile Number, Bank Details and Nomination) are not available for the folio on or before March 31, 2023, it shall be frozen from April 01, 2023 as per SEBI circular dated November 3, 2021. However the securities in the frozen folios shall be:
      - a. Eligible to lodge any grievance or avail service request from the RTA only after furnishing the complete documents/ details as aforesaid.
      - b. Eligible for any payment including dividend, interest or redemption payment only through electronic mode upon complying with the above stated requirements.
  18. SEBI vide its notification dated January 24, 2022 has amended Regulation 40 of the SEBI Listing Regulations and has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialised form. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form through your DP. Members can contact the Company Secretary or Link Intime India Private Limited, Company's Registrar and Share Transfer Agents ("RTA") for assistance in this regard.
  19. To receive shareholders' communications through electronic means, including Annual Reports and Notices, members are requested to kindly register/update their e-mail address with their respective depository participant, where shares are held in electronic form. Where shares are held in physical form, members are advised to register their e-mail address with RTA of the Company by sending an e-mail on [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) along with signed scanned copy of the request letter providing the email address, mobile number, self-attested copy of the PAN card and copy of the Share Certificate for registering their email address and receiving the AGM Notice and the e-voting instructions.
  20. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or RTA.
  21. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the

- Company or Company's RTA, the details of such folios together with the share certificates along with the requisite KYC documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
22. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
  23. Non-Resident Indian Members are requested to inform the Company's RTA immediately of:
    - a) Change in their residential status on return to India for permanent settlement.
    - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  24. In terms of section 124(5) of the Act, the dividend amount remaining unclaimed for a period of 7 (seven) consecutive years shall be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account. Members who have not claimed dividends are requested to approach the Company or RTA for claiming the same as early as possible, to avoid transfer of the relevant shares to the IEPF demat account. The details of unclaimed dividend is uploaded on website of the Company <https://atulauto.co.in/unclaimed-dividend.aspx>
  25. The Board of Directors has appointed Mr. Hardik Hudda (ICSI Membership No.: A39621, CP No:14697), Practicing Company Secretary as the Scrutinizer to scrutinize e-voting process in a fair and transparent manner.
  26. The results shall be declared within two working days from conclusion of the Meeting. The results declared along with the Scrutiniser's Report will be placed on the website of the Company at <https://atulauto.co.in/announcements.aspx> and the website of NSDL at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) immediately after the results are declared and will simultaneously be forwarded to BSE Limited and National Stock Exchange of India Limited, where Equity Shares of the Company are listed and shall be displayed at the Registered Office of the Company.
  27. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.
  28. Instructions for e-voting and attending the AGM through VC/OAVM are annexed to this Notice.

**By order of the Board of Directors of  
Atul Auto Limited**

**(Paras J Viramgama)  
Company Secretary & Compliance Officer**

Shapar (Dist. Rajkot)  
August 13, 2022

## INSTRUCTIONS IN RESPECT TO E-VOTING

Pursuant to SEBI Circular No.-SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/ websites of Depositories/ DPs in order to increase the efficiency of the voting process.

The remote e-voting period begins on Saturday, September 24, 2022 at 09:00 A.M. and ends on Monday, September 26, 2022 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL

for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. September 20, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being September 20, 2022.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

#### Step 1: Access to NSDL e-Voting system

### A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

Type of shareholders	Login Method
<b>Individual Shareholders holding securities in demat mode with NSDL.</b>	<ol style="list-style-type: none"> <li>1. Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS Portal" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

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## Type of shareholders

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### Individual Shareholders holding securities in demat mode with NSDL.

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## Login Method

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3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience.

### NSDL Mobile App is available on



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### Individual Shareholders holding securities in demat mode with CDSL

1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <https://web.cdslindia.com/myeasi/home/login> or [www.cdslindia.com](http://www.cdslindia.com) and click on New System Myeasi.
2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>
4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. after selecting e-voting menu from [www.cdslindia.com](http://www.cdslindia.com). The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.

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### Individual Shareholders (holding securities in demat mode) login through their depository participants

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

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**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

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## Login type

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### Individual Shareholders holding securities in demat mode with NSDL

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## Helpdesk details

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Members facing any technical issue in login can contact NSDL helpdesk by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call at toll free no.: 1800 1020 990 and 1800 22 44 30

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### Individual Shareholders holding securities in demat mode with CDSL

Members facing any technical issue in login can contact CDSL helpdesk by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at 022-23058738 or 022-23058542-43

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**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.

**Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical**

- a) For Members who hold shares in demat account with NSDL.
- b) For Members who hold shares in demat account with CDSL.
- c) For Members holding shares in Physical Form.

**Your User ID is:**

- 8 Character DP ID followed by 8 Digit Client ID  
For example if your DP ID is IN300\*\*\* and Client ID is 12\*\*\*\*\* then your user ID is IN300\*\*\*12\*\*\*\*\*.
- 16 Digit Beneficiary ID  
For example if your Beneficiary ID is 12\*\*\*\*\* then your user ID is 12\*\*\*\*\*
- EVEN Number followed by Folio Number registered with the company  
For example if folio number is 001\*\*\* and EVEN is 101456 then user ID is 101456001\*\*\*

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDeAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDeAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below:

- d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

## GENERAL GUIDELINES FOR SHAREHOLDERS

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to huddahardik@yahoo.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Kautilya Joshi at evoting@nsdl.co.in

## PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF E-MAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investorrelations@atulauto.co.in
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) email to investorrelations@atulauto.co.in If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

## THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

## INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investorrelations@atulauto.co.in. The same will be replied by the company suitably.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("THE ACT")

### Item No. 3:

This explanatory statement is in terms of Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), however, the same is strictly not required as per Section 102 of the Act.

The members of the Company at twenty ninth Annual General Meeting ("AGM") of the Company held on September 29, 2017 approved the appointment of M/s. Kamlesh Rathod & Associates, Chartered Accountants (ICAI Firm Registration No. 117930W) as statutory auditors of the Company for a term of five consecutive years from the conclusion of the said AGM to the conclusion of thirty fourth AGM. Accordingly, the term of M/s. Kamlesh Rathod & Associates will end on the conclusion of this AGM.

The Board of Directors on the recommendation of the Audit Committee has proposed the appointment of M/s. Maharishi & Co, Chartered Accountants (Firm Registration No. 124872W), as the Statutory Auditors of the Company for a term of five consecutive years from the conclusion of thirty fourth AGM till the conclusion of the thirty ninth AGM, for the approval of the Members. The fee for audit services for financial year 2022-23 will be Rs.5.65 Lakh plus applicable taxes and out-of-pocket and other incidental expenses in connection with the audit. The remuneration for the subsequent year(s) of their term shall be determined based on the recommendation of the Audit Committee and as approved by the Board of Directors of the Company. In addition to the audit services, the Company would also obtain certifications from the statutory auditors under various statutory regulations and certifications required by banks, statutory authorities, etc. and other permissible non-audit services as required from time to time, for which they will be remunerated separately on such terms as may be recommended by the Audit Committee and approved by the Board of Directors. There is no material change in the audit fee payable to M/s. Maharishi & Co. from that paid to M/s. Kamlesh Rathod & Associates.

The Audit Committee and the Board has considered factors like vast audit experience of the firm in various segments, market standing of the firm, qualifications and experience of the partners of the firm, engagement team's experience, clientele served, sound technical knowledge, experience with the firm in its earlier appointment etc. and found credentials of M/s. Maharishi & Co. suitable to handle the statutory audit of the Company.

They have given their consent to act as the Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013 and that they are not disqualified to be appointed as statutory auditor in terms of the provisions of the Companies Act or the Chartered Accountants Act, 1949 and the rules or regulations made thereunder. As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Maharishi & Co, has confirmed that they hold a valid certificate issued by the

Peer Review Board of ICAI.

None of the Directors and Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 3 of the Notice.

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

### Item No. 4 & 5:

Mr. Mohan Jit Walia and Mr. Jaichander Swaminathan have been appointed as Independent Directors of the Company at Thirty First Annual General Meeting of the Company for a first term of 3 (Three) years from August 10, 2019 and August 26, 2019 respectively and these terms expires on August 09, 2022 and August 25, 2022 respectively.

Considering the performance and contribution of Mr. Walia and Mr. Swaminathan during those first term as Independent Directors, the Nomination and Remuneration Committee has recommended the Board to re-appoint both as Independent Directors for a second term of three years i.e. upto August 08, 2025 and August 24, 2022 respectively. The Board of Directors by passing the resolution through circulation on August 08, 2022 and at its Meeting held on August 13, 2022, re-appoint agreed to both the directors for three more years i.e. upto August 08, 2025 and August 24, 2025 respectively as per recommendation of the Nomination and Remuneration Committee subject to approval of shareholders in AGM by passing special resolution as required under section 149(10) of the Companies Act, 2013.

Both the Directors are not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given those consent to act as an Independent Director. The Company has received a declaration from Mr. Walia and Mr. Swaminathan that they meets the criteria of independence as prescribed under sub-section (6) of Section 149 of the Act and under the SEBI Listing Regulations. In the opinion of the Board, they fulfills the conditions for their re-appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. Both the Directors are independent of the management and possesses appropriate skills, experience and knowledge.

The details of Mr. Walia and Mr. Swaminathan are provided in the "Annexure" to the Notice pursuant to the provisions of the Listing Regulations and the Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

The copy of draft letter of appointment setting out the terms and conditions of those appointment are made available for inspection by the members at the registered office of the Company.

None of the Directors/ Key Managerial Personnel of the Company or their relatives are, in any way, concerned or interested in the resolution set out at Item No. 4 & 5 of the Notice.

The Board recommends the Special Resolutions set out at Item No. 4 & 5 of the Notice for approval by the members.

## PROFILE OF DIRECTORS BEING APPOINTED/RE-APPOINTED

Name of Director	Mahendra J Patel	Mohan Jit Walia	Jaichander Swaminathan
DIN	00057735	08535435	08537472
Date of Birth	14/10/1963	09/01/1959	24/03/1991
Date of Appointment/ Re-appointment	Retiring by rotation at this AGM	09/08/2022	25/08/2022
Brief Profile and Expertise in specific functional Area	Mr. Patel has rich experience of around three decades 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 also expert in managing the financial matters of the Company.	Mr. Walia has over 37 years of rich experience and quantifiable achievements in business channel development & management, strategic planning etc. He has expertise in strategic technology planning, streamlining new product development cycle with key focus on first time right and design to cost, and reduced product development cycle.	Mr. Jaichander has expertise in the field of thermodynamics and heat and mass transfer, applied to energy efficient water treatment and recycling. He has received four US patents and won several international awards for his contribution.
Academic Qualification	Under Graduate	B.E. (Mech), M.B.A.	B. Tech., M.S., Ph.D.
Name of other Companies in which he holds Directorship*	Nil	Nil	Nil
Name of other companies in which he holds Chairmanship/Membership of Committees of Board	Nil	Nil	Nil
No. of Shares held in Atul Auto Limited	2,77,848	Nil	Nil
Relationship with other directors	None	None	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.

# BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present Thirty Forth Annual Report along with the audited financial statements for the financial year ended March 31, 2022.

## FINANCIAL RESULTS

The financial performance of the Company on standalone basis for the year ended March 31, 2022 is summarized below:

Particulars	(₹ in lacs except per share data)	
	2021-22	2020-21
<b>Revenue from Operations</b>	<b>29,382</b>	<b>29,590</b>
Other Income	239	186
<b>Total Income</b>	<b>29,621</b>	<b>29,776</b>
Operating Costs	31,537	30,352
<b>Profit Before Depreciation, Interest, Exceptional Items and Tax (PBDIT)</b>	<b>-1,916</b>	<b>-576</b>
Depreciation & Amortization Expense	933	656
<b>Profit before Interest, Exceptional Items and Tax</b>	<b>-2,849</b>	<b>-1,232</b>
Interest	400	88
Exceptional Items	-	-
<b>Profit before Tax (PBT)</b>	<b>-3,249</b>	<b>-1,320</b>
Tax Expense	-762	-300
<b>Profit after Tax (PAT)</b>	<b>-2,487</b>	<b>-1,020</b>
Other Comprehensive Income	43	18
<b>Total Comprehensive Income for the period</b>	<b>-2,444</b>	<b>-1,002</b>
<b>Opening Balance in Profit and Loss Account</b>	<b>25,601</b>	<b>26,603</b>
<b>Balance carried to Balance Sheet as Retained Earnings</b>	<b>23,157</b>	<b>25,601</b>
<b>Earnings per Share (Rs.)</b>	<b>-11.33</b>	<b>-4.65</b>

## FINANCIAL REVIEW AND HIGHLIGHTS

The Second wave of COVID-19 pandemic had hit the Indian economy very hard, automobile industry was among the worst affected industries in financial year 2021-22. Especially, three-wheeler segment of the automobile industry has been taking comparatively more time in revival. The Company could not maintain its performance during the financial year due to sluggish demands of the products. The Company has concentrated on rigours cost restructuring and efficiency improvements to decrease the loss as much as possible. The financial parameters of FY 2022 are as under:

- The Company sold 16,061 vehicles in FY 2021-22 in compare to 16,295 in previous year. Thus, sale of the Company declined by 1.44%.
- The Company has achieved turnover of ₹28,634 Lacs in FY 2021-22.
- Revenue from operations remained ₹29,382 Lacs in FY 2021-22 (Previous year ₹29,590 Lacs)
- Export revenue of the Company increased to ₹2,562 Lacs (Previous year ₹1,333 Lacs)
- Loss before depreciation, interest and tax remained ₹1,916 Lacs against the loss of ₹576 Lacs in previous year

- Loss before taxes remained ₹3,249 Lacs compare to loss before tax of ₹1,320 Lacs in previous year
- Net loss after tax remained ₹2,487 Lacs compare to net loss after tax of ₹1,020 Lacs previous year.

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

## DIVIDEND

Considering the uncertainty of cash inflow due to low demand on account of COVID-19 and future need of the fund for operations of the Company, the Board of Directors of the Company does not declare final dividend for the year ended March 31, 2022.

## CONSOLIDATED FINANCIAL STATEMENTS

As per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations") and applicable provisions of the Companies Act, 2013 read with the rules issued thereunder, the Consolidated Financial Statements of the Company for the financial year 2021-22 have been prepared in compliance with applicable Accounting Standards and on the basis of audited financial statements of the Company, its subsidiary and associate company, as approved by the respective Board of Directors.

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

## **PERFORMANCE OF SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES**

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

### **Khushbu Auto Finance Limited**

Khushbu Auto Finance Limited ("KAFL") a Non-Banking Finance Company categorized as Investment and Credit Company (NBFC-ICC), earlier Asset Finance Company (AFC) has become wholly owned subsidiary of the Company after completion the acquisition of 70% equity share capital of KAFL from September 01, 2021. Before the acquisition, the Company was holding 30% equity share capital of KAFL. KAFL is primarily in the business of financing of three-wheelers of Atul Auto Limited and two-wheelers. KAFL aggressively provides the finance to the customers of Atul Auto Limited in the regions where other financiers are not easily available.

KAFL has geared up its operations post COVID with an aggregate Disbursement of ₹7,955 Lacs during FY 2021-22 and an Asset Under Management (AUM) of ₹17,275 Lacs as on March 31, 2022 in compare to AUM of ₹15,293 Lacs as on March 31, 2021. KAFL has an annual growth of ~23% as compared to FY 2020-21. Operational revenues stood at ₹3,060 Lacs resulting in a PBT of ₹219 Lacs. The profit after tax remained at ₹161 Lacs for the year ended on March 31, 2022.

KAFL has its presence at 47 locations covering 12 different states in India and plans to expand its presence in FY 2022-23.

As per explanation provided under the Regulation 24 of the SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. KAFL, wholly owned subsidiary of the Company is to be considered as unlisted material subsidiary since net-worth of KAFL is more than 20% of net-worth of the Company as on March 31, 2021.

The Board of Directors of KAFL at its meeting held on February 21, 2022 has appointed Ms. Aarti Jeetendra Juneja (DIN: 06872059), Independent Director of the Company as Director of KAFL as per the said regulation 24 of the SEBI Listing Regulations which states that at least one independent director of the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary.

### **Atul Green Automotive Private Limited**

Atul Green Automotive Private Limited is wholly owned subsidiary of the Company. It is in the business of sales of spare parts of Atul vehicles to certain international markets.

The Investment in share capital of Atul Green Automotive Private Limited was ₹45 Lacs as on March 31, 2022. It's revenue during the year was ₹208.31 Lacs and earned after tax profit of ₹1.54 Lacs.

### **Atul Greentech Private Limited**

Atul Greentech Private Limited ("AGPL") was incorporated in the year 2020 having an objective of manufacturing battery packs, battery management system, battery charger, tools, equipment, fittings, raw material etc. for the purpose of electric vehicles of Atul Auto Limited and various other applications and electric motor vehicles and conveyances of all descriptions for carrying passengers and other things, materials and products used for, in or in connection with vehicle and other things with an initial investment of ₹1 Lacs. As per fund requirement of AGPL, the Company has invested further money in AGPL. At the end of financial year 2021-22, the investment in share capital was ₹999.99 Lacs.

Considering various parameters, the Board of Directors of the Company has approved the proposal of AGPL to manufacture, assemble and sell electric three wheeler from AGPL in addition to electric vehicles spares and parts. Further, the Board has also approved the proposal of AGPL to raise ₹15 Crore by way of private placement basis to meet the requirement of long-term working capital of AGPL. In the month of May 2022, AGPL has raised ₹15 Crore by way of allotment of 25,00,000 equity shares of ₹10/- each at a price of ₹60/- each (evaluated by Registered Valuer) on private placement basis to the shareholder/s other than the Company including Mr. Vijay Kedia, Non-Executive Director (DIN: 00230480) of the Company. Post-allotment, the Company holds eighty percent stake in AGPL.

### **Joint Venture**

The Company does not have any joint venture.

## **LOANS, GUARANTEES AND INVESTMENTS**

Particulars of the loans given, investment made or guarantee given pursuant to section 186 of the Companies Act, 2013 and the purpose for which the loan or guarantee or investment is proposed to be utilized by the recipient of the loan or guarantee are provided in Note No. 45 to the Standalone Financial Statements. These loan, guarantee and investments are in compliance with section 186 of the Companies Act, 2013.

No security has been provided during the year 2021-22.

To secure the availability of retail finance to the customers of Atul vehicles, the Company has acquired 100% stake in Khushbu Auto Finance Limited, an NBFC arm of the Company by purchasing 70% shares from existing shareholders of the Company at the total cost of ₹44.57 Crore.

## **LIQUIDITY**

The Company has cash and cash equivalents of ₹505 Lacs as on March 31, 2022. Moreover, the Company has sanctioned working capital facilities ₹3000 Lacs from IDBI Bank, ₹750 Lacs from ICICI Bank and pre/post shipment credit facilities of USD 3.50 Million or equivalent INR as on March 31, 2022 to meet the liquidity requirement.

Further, the promoters have committed to give unsecured loan to provide liquidity if needed to repay the installments of term loan due in FY 2021-22.

### **TERM DEBT**

The company has been sanctioned a term loan of ₹9000 Lacs from EXIM Bank, for part financing the green field project at Bhayla, Dist. Ahmedabad from which the company has utilised ₹7500 Lacs as on March 31, 2022 and confirmed that the company will not draw any fund from the balance available loan.

### **CAPITAL EXPENDITURE**

During financial year 2021-22, the major capital expenditure has been made in plant and machineries at Bhayla, Dist. Bavla near Ahmedabad where the construction and installation work has been completed. The Company has incurred capital expenditure of ₹1051 Lacs during the year.

Ahmedabad plant has been all set to roll out the production. During FY 22, BIW and few other amenities have been made operational and the management in its best possible prediction assume that pre-treatment plant, final coat (Paint Shop) and assembly line would be made operational in FY 2022-23.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

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

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

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, Independent Directors of the Company have confirmed that they have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs (IICA) within the statutory time limit. The Independent Directors are also required to undertake online proficiency self-assessment test conducted by the IICA within a period of 2 (two) year from the date of inclusion of their names in the data bank, unless they meet the criteria specified for exemption. Ms. Aarti Juneja, Mr. Mohan Jit Walia and Dr. Jaichander Swaminathan have cleared the test. Mr. Vijay Goel has exempted for passing the test pursuant to third proviso of Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

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

Governance of the Company which forms and integral part of the report.

The first term of Mr. Mohan Jit Walia and Mr. Jaichander Swaminathan as Independent Directors of the Company expires on August 09, 2022 and August 25, 2022 respectively. As they further qualifies and being eligible, on the recommendations of the Nomination and Remuneration Committee of the Company, the Board of Directors agreed to reappoint Mr. Walia by passing the resolution through circulation on August 08, 2022 and agreed to reappoint Mr. Swaminathan at its Meeting held on August 13, 2022, for three more years i.e. upto August 08, 2025 and August 24, 2025 respectively subject to approval of shareholders in ensuing Annual general Meeting. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing their candidatures for the office of Independent Directors. The brief profile of both the directors are annexed to the notice of AGM

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

### **NUMBERS OF MEETINGS OF BOARD**

The Board met six times during financial year 2021-22, the details of which are provided in the Corporate Governance Report. The gap between any two meetings was within the period prescribed by the Act and the SEBI Listing Regulations.

### **COMMITTEES OF THE BOARD**

The Board of Directors has the following Committees as on March 31, 2022:

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

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

### **PERFORMANCE EVALUATION**

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

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

### **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- a. in the preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards had been followed and there are no material departures from the same;
- b. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at March 31, 2022 and of the Profit of the company for that period;

- c. they have taken proper and sufficient care to the best of their knowledge and ability for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. they have prepared the annual accounts on a going concern basis;
- e. they have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively during the financial year ended March 31, 2022; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively throughout the financial year ended March 31, 2022.

## MANAGEMENT DISCUSSION AND ANALYSIS

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

## CORPORATE GOVERNANCE

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

## AUDITORS AND AUDITORS' REPORT

### Statutory Auditors

M/s. Kamlesh Rathod & Associates, Chartered Accountants (ICAI Firm Registration No. 117930W) ("Existing Auditors") were appointed as statutory auditors of the Company at twenty ninth AGM to hold office upto thirty fourth AGM of the Company. M/s. Kamlesh Rathod & Associates have confirmed that they are not disqualified from continuing as Auditors of the Company. The peer review certificate of M/s. Kamlesh Rathod & Associates has valid upto July 31, 2024.

The Auditors' Reports for the financial year ended March 31, 2022 on the financial statements (Standalone and consolidated) of the Company is a part of Annual Report. The auditors' report does not contain any qualification, reservation or adverse remark.

The existing auditors will complete a tenure of five year as Statutory Auditors of the Company on the conclusion of the upcoming thirty fourth AGM of the Company. The Board of Directors of the Company at its Meeting held on August 13, 2022, on the recommendation of the Audit Committee, have made its recommendation to the Members for appointment of M/s. Maharishi & Co., Chartered Accountants (ICAI Firm Registration No. 124872W) Chartered Accountants who have given a written consent to act as Statutory Auditors of your Company and have also confirmed that the said appointment would be in conformity with the provisions of sections 139 and 141 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, to hold office for period of Five (5) consecutive years from the conclusion of this 34th Annual General Meeting (AGM) until the conclusion of the 39th AGM to be held in the year 2027 to audit the financial statement from FY 2022-23 to FY 2026-27.

### Secretarial Auditors

The Board of Directors of the Company at its Meeting held on May 27, 2022 has appointed CS Hardik Hudda (ICSI Membership No.: A39621, CP No.:14697), Proprietor of M/s. Hardik Hudda &

Associates in whole time practice having valid peer review certificate No.1805/2022 to undertake the Secretarial Audit of the Company for the financial year 2021-22. The Secretarial Audit Report for the financial year ended March 31, 2022 is set out in Annexure [A] to this report. Further, the Secretarial Audit Report for the financial year ended March 31, 2022 of Khushbu Auto Finance Limited (Material Unlisted Subsidiary of the Company) is set out in Annexure [B] to this Report as per requirement of regulation 24A of the SEBI Listing Regulations.

The Company is not required to get its cost records audited for the financial year 2021-22.

## REPORTING OF FRAUDS BY AUDITORS

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

## INTERNAL FINANCIAL CONTROLS

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

## RELATED PARTY TRANSACTIONS

All transactions entered with related parties for the financial year 2021-22 were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 and the Rules made thereunder are not attracted. Thus, disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. Further, there is no material transaction with any related party during the year under review. The Company complies with the policy on related party transactions while identification and monitoring it.

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

All related party transactions are placed before the Audit Committee as also to the Board for review and approval/ noting. Omnibus approval of the Audit Committee was obtained for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are reviewed by Audit Committee and a statement giving details of all related party transactions are placed before the Audit Committee and the Board for review on a quarterly basis. The Company has made necessary modifications to the said policy in line with the amendments introduced by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021.

The details of the related party transactions as per Indian Accounting Standards (Ind AS) - 24 are set out in Note No. 41 to the Standalone Financial Statements of the Company.

## ANNUAL RETURN

The Companies (Management and Administration) Amendment Rules, 2020 has done away the requirement of attaching extract of Annual Return in Form MGT-9 to Board's Report. The annual

return in Form MGT-7 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at <https://atulauto.co.in/subsidiaries-reports.aspx>

### EMPLOYEE AND RELATED DISCLOSURES

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

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

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

### CORPORATE SOCIAL RESPONSIBILITY

Your Company has always laid emphasis on progress with social commitment. We believe strongly in our core values of empowerment and betterment of not only the employees but also our communities. Following this principle, the Company had laid the foundation of a comprehensive approach towards promoting and facilitating various aspects of our surrounding communities. The Company has undertaken projects in the area of Promoting Education, Promoting Health Care, Promotion to Culture/ Art, Women Empowerment, Eradicating Hunger and Poverty, Disaster Management etc. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The Report on CSR activities which is reviewed by CSR committee at its meeting held on May 27, 2022 as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure [D] and forms an integral part of this Report.

The Board of directors at its meeting held on May 27, 2022 dissolved the CSR Committee with immediate effect in compliance with section 135 of the Companies Act, 2013.

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

### VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

### CREDIT RATING

CRISIL Limited, the Credit Rating Agency, has assigned CRISIL BBB+/ Negative (Downgraded from CRISIL A-/ Stable) to long term bank facilities and CRISIL A2 (Downgraded from CRISIL A1) to short term bank facilities of the Company vide its letter dated May 05, 2022.

The rating action reflects the moderation in the Company's business profile with slower recovery in demand for three wheels amidst pandemic situation. Over the last couple of years, three wheeler industry has been worst affected automobile segment and AAL's total reliance on the segment has translated into sharply reduced scale and operating losses. The Company's volume recovery to pre-covid levels may take a couple of years and restrain the business profile over medium term. However, the credit profile is supported by healthy capital structure with estimated net worth around ₹270 Crore and gearing around 0.3 times March 31, 2022. AAL's liquidity is supported by healthy cushion in bank limits, controlled working capital cycle and ongoing term loan moratorium period.

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

The particulars of conservation of energy, research and development, technology absorption and foreign exchange earnings and outgo in terms of Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 for the year ended March 31, 2022 are annexed to this report as Annexure [E].

### RISK MANAGEMENT

Risk management is embedded in your Company's operating framework. Your Company believes that managing risks help in maximizing returns. The Company's approach to addressing business risks is comprehensive and includes periodic review of such risks and a framework for mitigating controls and reporting mechanism of such risks. The risk management framework is reviewed periodically by the Board of Directors.

The Company has Risk Management Committee with the following Members as on March 31, 2022:

Mahendra J Patel	Member
Neeraj J Chandra	Member
Vijay K Kedia,	Member
Jaichander Swaminathan	Member

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

### SECRETARIAL STANDARDS OF ICSI

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

### INDIAN ACCOUNTING STANDARDS

The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2017. Accordingly, the financial statements have been prepared in compliance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act. In the preparation of financial statements, no treatment which is different from that prescribed in an Accounting Standard has been followed.

## INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

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

## OTHER DISCLOSURES

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

- The paid up equity share capital as at March 31, 2022 stood at ₹1097 Lacs. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2022, none of the Directors of the Company hold instruments convertible into equity shares of the Company.
- The Board of Director of the Company does not propose any amount for transfer to the reserve for the financial year ended March 31, 2022.
- During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).
- The Company has not paid any commission to any of its Directors and hence, provision of disclosure of commission paid to any Director as mentioned in Section 197(14) is not applicable.
- The Managing Director of the Company has not received any remuneration or commission from any of Company's subsidiaries;
- There has been no instance of any revision in the Board's Report or the financial statement under Section 131(1) of the Act.
- During the year under review, there were no complaints/ cases filed/ pending/ disposed-off pursuant to the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Company has complied with the provisions relating to constitution of Internal Complaints Committee and other provisions under the said Act.

- No application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the financial year ended March 31, 2022.
- No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
- There have been no material changes/ commitments, affecting the financial position of the company which have occurred between end of the financial year of the company to which the financial statements relate and the date of the report. There has been no changes in the nature of the business of the Company.
- All the recommendations made by the Audit Committee were accepted by the Board of Directors.
- The Company does not have any scheme or provision of money for purchase of its own shares by employees/ Directors or by trustees for benefit of employees/ Directors.
- The Dividend Distribution Policy is uploaded on [https://atulauto.co.in/upload/investor-relation/attachment/140/aal\\_dividend-distribution-policy\\_august-2021.pdf](https://atulauto.co.in/upload/investor-relation/attachment/140/aal_dividend-distribution-policy_august-2021.pdf)

## APPRECIATION

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

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

**For and on behalf of the Board of  
Atul Auto Limited**

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

Shapar (Dist. Rajkot)  
August 13, 2022

## SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

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

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

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended March 31, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii) The Depositories Act, 1996 and the Regulations and bye-laws framed there under;
- iV) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(Not Applicable to the Company as there was no reportable event during the Audit period under review)

- d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (Not Applicable to the Company as there was no reportable event during the Audit period under review)
- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (Not Applicable to the Company as there was no reportable event during the Audit period under review)
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client (Not Applicable to the Company during the Audit period under review);
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company there was no reportable event during the Audit period under review) and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company there was no reportable event during the Audit period under review);
- i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

- i) The Motor Vehicles Act, 1988 and the Rules made thereunder to the extent of product certification before production and from time to time primarily in respect of vehicles manufactured by the Company

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

- i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.
- ii) 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 including Woman Director. 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. The Company has not appointed Internal Auditor as required under section 138(1) of the Companies Act, 2013. The Company is in search of Internal Auditor.

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.

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

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

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

**For Hardik Hudda & Associates,  
Practicing Company Secretaries**

**CS Hardik Hudda**  
**Proprietor**  
**Membership No: A39621 CP No.: 14697**  
**Peer Review No: 1805/2022**  
**UDIN: A039621D000790987**  
Place : Ahmedabad  
Date : August 13, 2022

# SECRETARIAL AUDIT REPORT OF KHUSHBU AUTO FINANCE LIMITED, A MATERIAL SUBSIDIARY

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

**To,**  
**The Members,**  
**KHUSHBU AUTO FINANCE LIMITED**  
C/o New Chandra Motor Cycle House,  
Opp. Town Hall, Jamnagar,  
Gujarat, INDIA 361001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Khushbu Auto Finance Limited (CIN: U74999GJ1994PLC022816) (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, 2022 ("Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022 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 (Not Applicable during the audit period);
- 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 (Not Applicable during the audit period);

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

- i) Reserve Bank of India Act, 1934
- ii) Master Directions issued by RBI

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

- i) Secretarial Standards (SS-1 and SS-2) issued by the Institute of Company Secretaries of India.

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 -

Against the requirement of appointment of two Independent Directors as per Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014, the Company has appointed only one Independent Director on February 22, 2022. The Company has not appointed Managing Director or Chief Executive Officer or Manager or Whole-time Director as Key Managerial Personnel which is required under section 203 of the Companies Act, 2013. The Board and the Committees are not duly constituted upto that extent. 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.

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

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

I further report that during the audit period, the company become wholly owned subsidiary of Atul Auto Limited after acquisition of 70% equity share capital of the Company from September 01, 2021. Before the acquisition, Atul Auto Limited was holding 30% equity share capital of the Company. The Company has raised Rs.29.54 Crore by issue of 1,82,79,400, 0.001% Participative Preference Shares during the year. Except these, the Company has not undertaken any event/ action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

**For Hardik Hudda & Associates,  
Practicing Company Secretaries**

**CS Hardik Hudda**  
**Proprietor**  
**Membership No: A39621 CP No.: 14697**  
**Peer Review No: 1805/2022**  
**UDIN: A039621D000783628**  
Place : Ahmedabad  
Date : August 12, 2022

## 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 2021-22, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 are as under:

Sr. No.	Name of Director/ KMP	Designation	Ratio of remuneration of each Director to median remuneration of Employees	Percentage increase in Remuneration
1	Jayantibhai J Chandra	Chairman and Managing Director	47.39	14.72%
2	Mahendra J Patel	Whole-time Director & CFO	41.73	16.34%
3	Neeraj J Chandra	Whole-time Director	23.62	17.80%
4	Vijay K Kedia	Non-Executive Director	0.40	-8.89%
5	Aarti Juneja	Independent Director	0.68	-17.37%
6	Mohan jit Walia	Independent Director	0.68	-17.37%
7	Jaichander Swaminathan	Independent Director	0.71	-9.38%
8	Vijay Kumar Goel	Independent Director	0.64	19.09%
9	Paras J Viramgama	Company Secretary and Compliance Officer	3.08	0.24%

### Notes:

- a) Percentage increase/decrease in remuneration and ratios for Independent Directors may not be relevant since they are calculated on the basis of sitting fees paid which primarily depend upon number of meetings held and attended during the financial year.
- b) Though the remuneration of executive directors during FY 2021-22 are higher than ones paid in FY 2020-21, they are still withdrawing overall 39% less than the amounts approved by the shareholders in FY 2021-22.
- c) The median and other employee related comparative figures have been calculated on the basis of employees worked throughout the years and hence, those figures may differ from the ones published last year.
- ii) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the Financial Year:  
The median remuneration of employees of the Company during the Financial Year was ₹2,04,057/- and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the above table.
- iii) The percentage increase in the median remuneration of employees in the Financial Year  
In the financial year 2021-22, there was an Increase of 11.04% in the median remuneration of employees.
- iV) The number of permanent employees on the rolls of Company:  
There were 700 permanent employees on the rolls of the Company as on March 31, 2022.
- V) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last Financial Year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.
- Vi) Affirmation that the remuneration is as per the remuneration policy of the company:  
It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel and other Employees.

# ANNUAL REPORT ON CSR ACTIVITIES

FOR FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to Section 135 of the Companies Act, 2013, read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 [Including any statutory modification(s) or re-enactment(s) for the time being in force]]

## 1) Brief outline on CSR Policy of the Company.

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

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

### Education

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

### Health

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

### Promotion to Culture/ Art

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

## 2) The Composition of CSR Committee:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	J J Chandra	Chairman/ Chairman & Managing Director	1	1
2	Aarti J Juneja	Member/ Independent Director	1	1
3	Mohanjit Singh Walia	Member/ Independent Director	1	1
4	Vijay Kumar Goel	Member/ Independent Director	1	1

Mr. Paras Viramgama acts as Secretary to the Committee.

## Environmental Sustainability

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

## Eradicating Hunger and Poverty

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

## Women Empowerment

Almost every country, no matter how progressive has a history of ill-treating women. In other words, women from all over the world have been rebellious to reach the status they have today. The Company focuses on betterment of women involved in prostitution. It is need of the day to create awareness against this in public, creating employment opportunities, providing education, giving guidance and counselling, establishing rehabilitation centre etc. so that they can become part of the society.

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

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



c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1	Promoting education by vocational training for reaching to unreached and Self-employment Training, rural development and, Community Mobilization and Livelihood Promotion Activities and providing educational materials, setting up of libraries, scholarships, coaching classes, computer hardware and software	Promoting Education	Yes	Gujarat	Jamnagar, Gujarat Nashik, Maharashtra	46,00,000	No	Atul Chandra Charitable Trust	CSR00011492
								Omkar Andh Apang Samajik Sanstha	CSR00003196
2	Prevention of diseases - Health Check-up, Health Awareness Camp, Distribution of Vaccine Providing Infrastructure like Yoga/ Meditation Centre etc.	Promoting Preventive Health care	Yes	Gujarat	Rajkot	2,50,000	No	Atul Chandra Charitable Trust	CSR00011492
3	Disaster Management - Providing Medical Equipement to fight against pandemic	Disaster Management	Yes	Gujarat	Rajkot	4,00,000	No	Atul Chandra Charitable Trust	CSR00011492
4	Providing Free Meals to Eradicating Poor People especially children, Women etc. and Distribution of Food Packets and other items	Eradicating hunger and poverty	Yes	Gujarat	Saurashtra Region	20,50,000	No	Atul Chandra Charitable Trust	CSR00011492
5	Activities towards rehabilitation of prostitutes, their education, creating employment opportunities, counselling, awareness among the public etc.	Women Empowerment	No	All Over India	All Over India	15,00,000	No	Atul Chandra Charitable Trust	CSR00011492
6	Promoting Art and Culture	Promoting Art and Culture	No	Gujarat	Rajkot	2,00,000	No	Atul Chandra Charitable Trust	CSR00011492
<b>Total</b>						<b>90,00,000</b>			

- d) Amount spent in Administrative Overheads : ₹75,000/-
- e) Amount spent on Impact Assessment, if applicable : NIL
- f) Total amount spent for the Financial Year (8b+8c+8d+8e)\*\* : ₹90,75,000/-
- g) Excess amount for set off, if any:

Sr. No.	Particular	Amount (in ₹)
i	Two percent of average net profit of the company as per section 135(5)	90,35,127
ii	Total amount spent for the Financial Year	90,75,000
iii	Excess amount spent for the financial year [(ii)-(i)]	39,873
iv	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	--
v	Amount available for set off in succeeding financial years [(iii)-(iv)]	39,873

- 9) a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable** per cent of the average net profit as per Section 135(5) of the Companies Act, 2013: **Not Applicable**
- b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable** **For and on behalf of the CSR Committee**
- 10) In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details): **Not Applicable** **(Jayantibhai J Chandra)**  
**Chairman - CSR Committee**  
**Chairman and Managing Director**  
**DIN: 00057722**  
 Bhayla (Dist. Ahmedabad)  
 May 27, 2022
- 11) Specify the reason(s), if the company has failed to spend two

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

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

### A) Conservation of Energy

Your Company is committed to follow responsible business practices by contributing to environmental conservation and protection. The Company has always been conscious of need for conservation of energy. Energy conservation measures have been implemented at plant and more efforts are continuously made by the Company to minimize wastages and reduce the consumption rate of power per unit of production. Your Company ensures strict compliance with all the statutory requirements, and has taken various initiatives for energy conservation and preserving natural resources like replacing conventional lights with LED lights, use of renewable energy etc. The consumption of units of electricity per vehicle increased from 138.11 units in FY 2020-21 to 180.46 units in FY 2021-22 due to low level of capacity utilization against available production capacity of two plants.

Mode of Holding	No. of shares	% of shares
Electricity purchased		
Units	29,37,268	22,69,417
Amount (₹)	2,46,39,673	1,94,16,650
Production in no.	16,277	16,432
Unit consumed per unit of production	180.46	138.11

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

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

### B) Technology Absorption

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

To serve the customers with better, innovative and latest technology product, the Company has invested the amount in R&D activities in financial year 2021-22 as under:

Particulars	(₹ in Lacs)	
	2021-22	2020-21
Revenue expenditure	94.68	186.11
Capital expenditure	-	-
Total	94.68	186.11

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

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

Sr. No.	Technology Imported	Year of Import	Status
1	Vehicle engine gas emission checking	2020	Technology Absorbed
2	Horizontal Machining Centre for machining of parts	2020	Technology Absorbed

### Future Plan of Action

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

### C) Foreign Exchange Earnings and Outgo

As part of its core strategy, the Company is tapping on export markets where our product is suitable to the needs of the customers. During the year, 8.95% of our revenues were derived from export. The Company is taking further steps to widen its international marketing network.

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

Particulars	(₹ in Lacs)	
	2021-22	
Earning	2,335	
Expenditure	263	
Net Foreign Exchange Earning (NFE)	2,072	
NFE/Earning (%)	88.74%	

# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMY DURING FISCAL 2022

### Global

The world economy grew by 6.1 percent in 2021, posting one of the strongest post-recession recoveries in decades, as vaccination coverage gathered steam and pandemic-related restrictions eased. Private investments returned in response to a more robust demand, as governments and central banks of major economies maintained policy support. Global trade improved progressively, surpassing pre-pandemic levels.

A tentative recovery in 2021 has been followed by increasingly gloomy developments in 2022. The recovery was accompanied by an increase in inflation as commodity and energy prices shot up amid global supply chain disruptions. The prices started increasing further in the last quarter of FY 2021-22 on account of Russia-Ukraine crisis, and the subsequent imposition of economic sanctions. Economic slowdown in two major economies of the world i.e. China and United States has added negativity. This world over political crisis lead to reduction in global economy growth forecast for 2022 from 4.9 percent to 3.2 percent as per world economic outlook in July 2022. Due to all this, the global economy growth forecast for 2023 further downward to 2.9 percent. All these macro-economic situations make the current outlook extraordinarily uncertain.

### Indian

The Indian economy reported an attractive recovery in FY 2021-22, its GDP rebounding from a de-growth of 7.3% in FY 2020-21 to a growth of 8.7% in FY 2021-22. This is the strongest pace among major economies. The economic expansion has been supported by a strong national vaccination drive that enabled easing of COVID-19 related restrictions. India administered more than 200 crore doses of vaccine during the financial year. With global inflation, India also faced the high inflation during FY 2022. The wholesale price index (WPI) based price rise surged to a 30-year high of 12.96% in FY22, on rising commodity prices and a low base of 1.3% in FY21.

Though the second wave of COVID-19 shaken the Indian Economy in early FY 2021-22, urban demand remains strong with improved mobility and debit and credit card spending. Overall fuel consumption grew by 4% in FY 2021-22. Debit and credit card spending increased by 26% Y-o-Y in March 2022. However, overall auto sales have been weak on the back of persistent supply chain shortages around the world.

Industrial indicators continued to remain robust, with manufacturing and services PMI in expansion zone for most of the year. Electricity demand for FY 2021-22 grew by 8% Y-o-Y, even after the economy witnessed coal shortages in early part of December 2021 quarter. Government revenue generation remained robust with GST collections averaging more than Rs.1.2 lakh crore per month, increasing 31% Y-o-Y. Digital adoption gathered further pace with growth in UPI payments during FY 2021-22 rising more than 100% Y-o-Y. RBI maintained its accommodative monetary stance, keeping reference rates unchanged during FY 2021-22.

Subsequently, with rising inflationary pressure, RBI raised repo rate by 90 bps and further 50 bps, withdrawing its accommodative stance. India's merchandise exports crossed US\$400 billion during the year, growing at more than 40% Y-o-Y led by engineering goods, petroleum products and gems & jewelry.

India's foreign exchange reserves remained above \$600 billion by the end of FY 2021-22, providing a cushion against external shocks. Indian government's financial policy is centered around growth and gradual fiscal consolidation. With a budgeted fiscal deficit of 6.4% for FY 2022-23, focus remains on capital expenditure. Major policy initiatives during the year included continuation of COVID19-related relief measures and a focus on Production linked incentive (PLI) schemes in various key sectors to provide impetus to investment, growth and employment. As per IMF India is expected to remain the fastest growing economy in FY 2022-23, growing at 7.4% led by expected improvement in credit growth, investment and consumption growth.

### AUTO INDUSTRY

The domestic auto Industry witnessed a de-growth of (-) 6% in FY 2021-22 whereas the exports grew by around 36%, combined numbers are almost in line with the numbers of last year. All segments are facing supply side challenges and the industry is yet to see complete recovery following the disruptions it has been facing since early 2020.

Considering the post-COVID recovery in other segments of the industry, the worst recovery is seen in three-wheeler segment particularly on domestic front.

### Domestic Market

Total domestic sales of three-wheeler industry was 2,60,995 units in FY 2022 in compare to 2,19,446 units in FY 2021. Though it shows the growth of 18.93% on low base year of FY 2021, it is down by almost 60% in compare to pre-COVID FY 2020.

Atul sold 14,456 three wheelers in domestic market in FY 2022 against 15,349 units last year. Among this, the sales of passenger and cargo three wheelers de-grew by (-) 20.45 % and (-) 3.36 % respectively whereas E-Rickshaw sales grew by 108.07%. Atul's market share decreased to 5.51% in FY 2022 from 6.99% in FY 2021. This decrease is due to sudden change in industry product mix. The share of CNG 3Ws in domestic industry raised 51% whereas the decrease by 29% is shown in diesel 3Ws in FY 2021-22 where the Company is having good strength.

### International Market

The international market for three wheeler industry showed a healthy growth of 27.16% in FY 2022 in compare to FY 2021. It succeeded to reach near pre-COVID level.

Atul's export increased from 946 vehicles in FY 2022 to 1605 vehicles in FY 2021. Though there is an increase, it is away to achieve pre-COVID level.

### RESEARCH AND DEVELOPMENT

The Company has been strategically making required investment in Research and Development Activities. The main focus of the Company in sphere of R&D is on electric vehicle capable of providing the comfort that is being given by the alternate fuel three wheelers. The Company has also in the process of launching more models and variants in Alternate Fuel Three Wheelers with a capacity of 0.50 tonne on the back of a strong support of R&D.

The R&D team continues their efforts in developing cutting-edge technologies that are relevant for the near and long-term requirements of the Company's business plans. These developments are centered on customers, emerging mobility needs, providing advanced safety systems and sustainability. The Company continues to leverage global talent through several co-operations with Indian and global expert organizations.

### **Alternate Fuel 3W**

The Company has been moving progressively into Alternate Fuel 3W (Petrol/ CNG/ LPG) space. As part of Company's commitment to make constant embellishments in its Alternate Fuel 3W space, the Company has been focused on improving its Alternate Fuel 3W in terms of comfort and economy in 0.35 tonne as well as 0.50 tonne segment.

### **Electric Vehicles (EV)**

Backed with the rich experience in the three wheeler industry, the Company understands the need of the day, value of environment and importance of sustainability. The Board considers the introduction of Green 3Wheeler a new era for the industry as well as for the Company. Considering the benefits provided under FAME II (Faster Adoption and Manufacturing of Hybrid & Electric Vehicles) and rising fuel costs, the Boards believes in bright future of electric three wheeler and necessary developments are going into this segment. Considering the importance of EV, the Board has made Atul Greentech Private Limited ("AGPL"), a dedicated subsidiary company to do the EV L5 category business. Recently, AGPL has raised the fund of Rs.15 Crore by issue of equity shares on private placement basis at the price of ₹60/- (Including a premium of ₹50/- per share).

The Company has a tested and homologated model in 3W EV L5 category with fixed Lithium-ion Battery Packs. The launch of which is expected in fiscal 2023. Further, AGPL has tied-up with Honda Power Pack Energy India and Valeo to develop the prototype Cargo and Passenger three wheeler with the most reliable Honda Mobile Power Pack e: Swap & Valeo powertrain system. This is considered as a remarkable step towards providing swappable battery solution in 3W segment.

### **ACQUISITION OF KHUSHBU AUTO FINANCE LIMITED, AN NBFC**

It is inadvertent to have a sufficient retail finance facility for growth of any automaker. The Company has strategically completed the acquisition of an NBFC namely Khushbu Auto Finance Limited by acquiring its remaining 70% stake with an investment of ₹44.57 Crore. Now, it's a Wholly Owned Subsidiary. This strategic move would surely fill the gap for retail financing facilities to the customers of Atul vehicles. It would act as a spirit to expand or strengthen the reach of the Company where the dealers were in need of the retails financiers to boost the business. This is a forward integration which will further give their results in long run with integration of business policies and synergetic steps. It would be further beneficial while launch of electric vehicles of AGPL.

### **OPPORTUNITIES AND THREATS**

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

Though the world is being normalized and coming out of COVID-19 pandemic, the fear of another wave or another variant are yet not gone considering the new COVID cases are detected on regular basis. People are still reluctant to use of shared/ large public transport. This changed preference would lead to enhanced need for a separate mobility solution like three wheeler automobiles than travelling by local train/ buses in the wake of more steps moving towards schools, colleges and offices.

The Government is actively pursuing the plan for electrification of

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

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

### **RISKS AND CONCERNS**

The second wave of COVID which hit India in first quarter of the fiscal 2022 disrupted business because of its intensity. Global supply chain was affected, impacting logistics cost and lead time due to port congestions and container unavailability.

Global automotive industry was badly affected due to semiconductor unavailability and as a result, the Company lost significant volumes in the first two quarters of FY 2022. Countermeasures taken to mitigate the risk helped in and increasing volumes in the second half of the year and efforts are continuing to de-risk the supply chain to meet the business demand.

Geopolitical issues are putting the uncertainty in every sphere of the economy. Last quarter of FY 2022 saw another risk emanating due to the Russia-Ukraine conflict which led to soaring commodity prices and impact on availability of material. The Company took appropriate steps to counter the problem to minimize the impact including the effect of fresh wave of COVID in China threatening global supply chain. In FY 2022, the Company initiated various countermeasures to minimize any short-term impact and mitigate any long-term impact on the Company. This included comprehensively looking at cost structures and optimizing them, cash flow management, and sustained investment in new products.

After BS-VI implementation in 2020, the Indian auto industry will now be looking at the next tranche of emission norms to follow in quick succession, with CAFE 2 (Corporate Average Fuel Economy) and RDE (Real Driving Emissions) planned for 2022-23. Your Company is working on various Powertrain and Vehicle level technologies such as friction reduction and electrification for further CO2 improvement needed to achieve the emission targets.

While more than 90% sales of three wheelers are dependent on finance by NBFCs & financial institutes like bank etc., the availability of retail finance has become the major concern. After the high NPAs last year, the financiers will be highly selective for disbursal of fresh loan. This would result in higher cost of finance in the form of higher interest rate to the customers, reduction in LTV and less availability of the loans.

A surge in post-pandemic global demand, outbreak of Russia-Ukraine war; coupled with severe supply side constraints resulted in a sharp rise in commodity prices. It reverses the gains in margins accrued to the industry in the past few years from benign commodity and energy prices.

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

## OUTLOOK

There are various positive and negative factors affecting the automobile industry. Basis these recent developments, Automobile Industry has the potential to contribute about 12% of the total GDP of the nation and create around 65 million employment opportunities, as per the original Automotive Mission Plan 2016-26.

A report by India Energy Storage Alliance estimated the EV market to increase at a CAGR of 36% until 2026. The EV battery market is also expected to expand at a CAGR of 30% during the same period. Cumulative investment of ₹12.5 trillion (US\$ 180 billion) in vehicle production and charging infrastructure would be required until 2030 to meet India's EV ambitions. With the government's aim to move towards a completely Aatmanirbhar Bharat, the Ministry of Heavy Industries has sanctioned 2877 public EV charging stations in 68 cities all over India, under the Scheme for Faster Adoption and Manufacturing of Electric Vehicles in India Phase-II (FAME India Phase II) to be set up by Oil Marketing Companies in prominent cities and highways. The government also announced a battery-swapping policy in the Union Budget 2022-23, which will allow drained batteries to be swapped with charged ones at designated charging stations, thus making EV's more viable for potential customers.

To help the automotive industry overcome the cost disabilities, economies of scale, and facilitate growth of the industry by building a robust supply chain, in areas of Advanced Automotive Technologies [AAT], government has launched the PLI scheme for automobile and the auto component industry, for the next 5 years-starting FY 2022-23 with an outlay of 26,000 crores. This scheme will facilitate the automotive industry to move up the value chain into higher value-added products, apart from generating employment. The scheme will also provide incentive of up to 18 per cent, to encourage industry to make fresh investments in indigenous supply chain of AAT products.

In FY 2021, the pandemic and lockdown resulted in de-growth of the Indian economy for the first time in 41 years. In H2FY21, the economy saw a sharp revival due to gradual re-opening and pent-up demand for personal vehicles. But the three wheeler industry was exception to it. In April 2021, we have witnessed a second COVID-19 wave spreading across the country resulting in localised lockdowns. This has resulted in temporary slowdown in the economy.

Growth in fiscal 2023 and coming years is expected to be holistic, supported by following factors:

- i) Strong rural demand by favorable agri season
- ii) A pickup in urban consumption demand due to increasing vaccination coverage, ease of restrictions.
- iii) Improving consumer sentiment
- iv) Normal monsoon as per the initial forecast of the India Meteorological Department
- v) Increase in CNG dispensing units
- vi) Extension of FAME Incentives
- vii) Possibility of fuel prices getting moderated as India imports from Russia
- viii) Uptick in capex spends by the Central and State governments as also private corporates
- ix) Stability in commodity prices

The Company has been analyzing what has been happening in the economy specifically concerning the supply and demand, and taking steps to align the business with it to overcome the risk and grab the opportunity wherever it is available. The Company is also eyeing over the opportunity lying in three wheeler EV segment across the globe.

## INTERNAL CONTROL SYSTEMS

Your company maintains adequate internal control system which is continuously evaluated by professional auditors of repute. The company continues to improve the present internal control systems by implementation of appropriate policy and processes. The Company is focused on incorporating the controls and checks in ERP system of SAP. Further, the Company is in the process of appointment of Internal Auditor.

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

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT

Human Resource Development activity includes workforce planning, employee engagement, performance and compensation management, learning and development, career & succession planning and organization development. Towards sustenance and delivering improved results, these activities have a structured approach, policies and standard operating procedures which are reviewed and updated periodically. The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Development. As on March 31, 2022, the number of employees working with the Company was 700 excluding contractual labour. The Company continuously maintain good industrial relations without any disruption at work.

## COMPANY'S OPERATIONAL PERFORMANCE

The year started with the deadly second wave of COVID-19 have affected the operation performance of the Company. It could not get the expected recovery. The details of company's financial performance vis-a-vis operational performance during the financial year ended March 31, 2022 are as under:

- The Company sold 16,061 vehicles in FY 2022 in compare to last year figure of 16,295 vehicles. Out of this, 1605 vehicles sold in international market in compared to 946 vehicles last year.
- The ratio of cargo, passenger and E-Rickshaw to total number of three wheelers sold during FY 2022 were 41%, 48% and 11% respectively.
- The income from operations declined to Rs.29,382 Lacs in FY 2022 compared to Rs. 29,590 Lacs last year. The Income from operations consists of Vehicle Sales Turnover in export of Rs.2,091 Lacs.
- EBITDA margin for the year is (-) 6.52% which was (-) 1.95% during last financial year.
- Average Sales Realization P/Vehicle has gone down to Rs.1,58,789/- by 2.88% on account of change in product mix.
- Material cost in FY 2022 stood at Rs.24,039 Lacs in compare to Rs.23,919 Lacs in last year.
- Employee benefits expenses stood at Rs.3,966 Lacs in FY 2022 as compared to Rs.3,773 Lacs last year.
- Finance cost increased to Rs.400 Lacs in FY 2022 from Rs.88 Lacs in FY 2021.
- Product Development Charges decreased to Rs.95 Lacs this year in compare to Rs.196 Lacs last year.
- Net loss for the year increased to Rs.2,487 Lacs as against loss of Rs.1,020 Lacs during last financial year.

## KEY FINANCIAL RATIOS

The key financial ratios of the Company are as under:

Particulars	2021-22	2020-21	Details of significant changes
Debtors Turnover (Days)	26	29	–
Inventory Turnover (Days)	64	62	–
Interest Coverage Ratio (Times)	(8.31)	(35.30)	Interest Cost has increased as the debt level has increased and in previous year, part of interest cost was capitalized.
Debt Equity Ratio	0.30	0.05	Till 31st March, 2021 the company has incurred capital expenditure from internal accrual and availed Term Loan of Rs.1500 Lacs. However, the Company has increased debt in form of term loan as reimbursement of capital expenditure and hence, total debt has remained Rs.7500 Lacs.  Further, the Company has also utilized working capital loan for short term requirements. Hence Debt/Equity Ratio increased to 0.30 as on 31st March 2022 as compared to 31st March 2021.
Current Ratio (Times)	1.05	1.51	As at 31st Mar 2021, the company has surplus cash available in form of investment in liquid funds. During the year the same has been utilized for Capital Expenditure and Investment in Subsidiaries.  Further, Term Loan availed for capital expenditure is due for repayment in FY 2022-23. Hence, Current Liability of the company has increased accordingly. This has resulted in reduction of current ratio.
Operating Profit Margin (%)	-9.07	-3.92	
Profit Margin (%)	-8.46	-3.45	
Return on Net Worth (%)	-8.85	-3.42	During the year, the sales mix of the company is changed Net which has resulted in lower sales realization per vehicle. Due to increase in commodity prices, material cost has been increased. Hence, margin per vehicle is reduced. Further, the company has capitalized its Phase-I of Ahmedabad Plant during the year. Hence depreciation and other fixed expenses have increased. Additionally, the company has availed long term borrowing which has resulted in finance cost of the company.

### Cautionary Statement

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

factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Atul Auto Limited's Annual Report FY 2022.

# BUSINESS RESPONSIBILITY REPORT (BRR)

FOR THE FINANCIAL YEAR 2021-22

[Pursuant to Regulation 34(2)(f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

## SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) of the Company	: L54100GJ1986PLC016999
2. Name of the Company	: Atul Auto Limited
3. Registered address	: Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024
4. Website	: www.atulauto.co.in
5. E-mail id	: investorrelations@atulauto.co.in
6. Financial Year reported	: 2021-22 (April 01, 2021 to March 31, 2022)
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	: Three Wheeler Automobiles; 30912
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	: Three Wheeler Automobiles Spare Parts of Three Wheeler Automobiles
9. Total number of locations where business activity is undertaken by the Company	
(a) Number of International Locations (Provide details of major 5)	: None
(b) Number of National Locations	: 10
10. Markets served by the Company	
– Local/State/National/International	: All

## SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. Paid up Capital (INR)	: 1,097 Lacs
2. Total Turnover (INR)	: 28,634 Lacs
3. Total profit after taxes (INR)	: -2,487 Lacs
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	: 2.00%
5. List of activities in which expenditure in 4 above has been incurred:	
(a) Promoting Education	
(b) Promoting Preventive Healthcare	
(c) Disaster Management	
(d) Eradicating hunger and poverty	
(e) Woman Empowerment	
(f) Promoting Art and Culture	

## SECTION C: OTHER DETAILS

1. <b>Does the Company have any Subsidiary Company/ Companies?</b>	with the Business Responsibility initiatives as per the laws applicable to them.
Yes, As on March 31, 2022, the Company has three subsidiary companies namely Atul Greentech Private Limited, Atul Green Automotive Private Limited and Khushbu Auto Finance Limited	
2. <b>Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)</b>	
No, the subsidiary companies are not required to comply	
3. <b>Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]</b>	No other entity participates in BR initiatives of the Company.

## SECTION D: BR INFORMATION

### 1. Details of Director/Directors responsible for BR

(a) Details of the Director/Directors responsible for implementation of the BR policy/policies

No.	Particulars	Details
1	DIN Number (if applicable)	00057722
2	Name	Jayantibhai Jagjivandas Chandra
3	Designation	Chairman and Managing Director

(b) Details of the BR head

No.	Particulars	Details
1	DIN Number (if applicable)	00057735
2	Name	Mahendra Jamnadas Patel
3	Designation	Whole-time Director & CFO
4	Telephone number	02827 235500
5	e-mail id	jmd@atulauto.co.in

### 2. Principle-wise (as per NVGs) BR Policy/policies

- P1- Business should conduct and govern themselves with Ethics, Transparency and Accountability
- P2- Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- P3- Businesses should promote the well-being of all employees
- P4- Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized
- P5- Businesses should respect and promote human rights
- P6- Businesses should respect, protect, and make efforts to restore the environment
- P7- Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
- P8- Businesses should support inclusive growth and equitable development
- P9- Businesses should engage with and provide value to their customers and consumers in a responsible manner

(a) Details of compliance (Reply in Y/N)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9	
1	Do you have a policy/ policies for....	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
2	Has the policy being formulated in consultation with the relevant stakeholders?	No	See Note below								
3	Does the policy conform to any national/ international standards? If yes, specify? (50 words)*	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Yes. It is signed by Chairman and Managing Director									
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy? **	No	No	No	No	No	No	No	No	No	
6	Indicate the link for the policy to be viewed online?	<a href="https://atulauto.co.in/corporate-governance-reports.aspx">https://atulauto.co.in/corporate-governance-reports.aspx</a>									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
8	Does the company have in-house structure to implement the policy/ policies.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Yes								

**Note:** Though there is no formal consultation with all stakeholders, the policies have evolved over a period of time by taking views/ inputs from stakeholders.

\* The Whistle Blower Policy, Code of Conduct and Corporate Social Responsibility Policy are framed as per the requirements of the respective legislations of India.

\*\* The Whistle Blower Policy and Code of Conduct are overseen by the Audit Committee of the Board of Directors of the Company and Corporate Social Responsibility Policy is overseen by the Corporate Social Responsibility Committee of the Board of Directors of the Company. The grievance, if any, arising out of Whistle Blower Policy, Code of Conduct and Corporate Social Responsibility is being redressed by the respective committees which oversee them. The remaining matters are overseen by Mr. J J Chandra.

**(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)**

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles									
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

**(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

Annually

**(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

Yes, It is published Annually. The hyperlink to view is <https://atulauto.co.in/annual-reports.aspx>

#### SECTION E: PRINCIPLE-WISE PERFORMANCE

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/ Joint Ventures/ Suppliers/Contractors/NGOs/Others? -

Through various policies, it covers most of the stakeholders in addition to the Company. It does not extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The Company has received 3 shareholders complaints during the year ended March 31, 2022 which were satisfactorily resolved by the management. One was for delay in transfer of shares and remaining two for Non-Receipt of physical copy of Annual Report for FY 2020-21. As the complaints from all the stakeholders are promptly taken care by respective departments, the Company does not keep track of cumulative numbers of it.

**Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The company is engaged in manufacturing of automobiles in particular three wheelers and its spares. It generates self-employment opportunity for the buyer/customer who purchases three wheelers. The products are in compliance with BS Emission Norms as instituted by the Government.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/ production/distribution achieved since the previous year throughout the value chain?

There is no explicit mechanism to track this.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

There is no explicit mechanism to track this.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. The Company has put in place the policy to source the raw material sustainability. The specific percentage of sourcing sustainably is not measured. Further, transportation and logistics optimization is an ongoing activity to reduce the relative environmental impacts.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? (a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Under the Supply Chain Management, a dedicated vertical "Vendor Development" work closely with almost all producers so that their capabilities can be increased.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes. The waste is managed in an efficient manner. The waste reduction and recycling is the part of the production processes. The Company's production facility is designed to reduce the waste and recycle the possible waste.

**Principle 3: Businesses should promote the well being of all employees**

1. Please indicate the Total number of employees: 1041
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 341
3. Please indicate the Number of permanent women employees: 02
4. Please indicate the Number of permanent employees with disabilities: 04
5. Do you have an employee association that is recognized by management  
No
6. What percentage of your permanent employees is members of this recognized employee association?  
Not Applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/ forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- (a) Permanent Employees - 80%
- (b) Permanent Women Employees - 100%
- © Casual/Temporary/Contractual Employees - 75%
- (d) Employees with Disabilities - 75%

**Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

1. Has the company mapped its internal and external stakeholders?  
Yes, during the reporting period, the company has mapped its internal and external stakeholders
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders  
Yes, the Company has identified disadvantaged, vulnerable and marginalized communities in the vicinity of the manufacturing plant as most vulnerable external stakeholders. The youth, marginal construction workers, children and women emerged as target groups and hence are being catered through CSR projects in possible extent.
3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.  
The initiatives taken by the Company have been mentioned in Report on CSR Activities which is part of Annual Report for the year ended March 31, 2022

**Principle 5: Businesses should respect and promote human rights**

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others? It covers the Company only.
2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?  
No complaint has been received in respect of human rights during the financial year.

**Principle 6: Business should respect, protect, and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.  
It covers the Company only.
2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.  
Yes. The Company has been utilizing the alternative renewable energy through Wind Turbine of 600 KW. The same can be viewed on link [https://atulauto.co.in/ir\\_Business.aspx](https://atulauto.co.in/ir_Business.aspx)
3. Does the company identify and assess potential environmental risks? Y / N  
Yes
4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Yes. Environmental sustainability has now turned into the key

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

5. Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

No

6. Are the Emissions/ Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/ legal notices received from CPCB/SPCB which are pending as on end of Financial Year

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- (a) Society of Indian Automobile Manufacturers (SIAM)
- (b) Automotive Research Association of India (ARAI)
- (c) Rajkot Chamber of Commerce & Industry
- (d) Shapar Veraval Industrial Association

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes. The Company participates in SIAM on policy matters pertain to Automobiles and with other local associations in the matter of development of local suppliers, improvements in its capabilities and matters concerned with other stakeholders.

**Principle 8: Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes. Please refer Annual Report on CSR Activities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

Through all.

3. Have you done any impact assessment of your initiative?

Evaluation and impact assessments are undertaken at every critical phase of the program or at the maturity stage of the project. These assessments are undertaken by internal expert in the subject.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken

The contribution of INR 90.75 Lacs made by the Company during financial year ended March 31, 2022 through Implementing Agency like Atul Chandra Charitable Trust and Omkar Andh Apang Samajik Sanstha.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so

During the course of the project implementation, the Company works towards building the capacity of local community and stakeholders to ensure sustainability of the program.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company views the customer complaint/ consumer cases seriously. 40 customer complaints/ consumer cases are pending as on March 31, 2022.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (Additional information)

Yes. In addition to the mandatory information, the Company also display the information regarding safety and efficiency of the vehicle.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so. - Nil

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, The Marketing Team of the Company regularly conducts the survey to get the customer feedback and to improve the product and service.

# REPORT ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY

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

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

The Company is in compliance with the requirements stipulated under Regulation 17 to 27, 46 read with other schedules and regulations to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations" or "Listing Regulations") as applicable, with regard to corporate governance.

## A. BOARD OF DIRECTORS

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

## BOARD COMPOSITION

The Board of the Company has a good mix of Executive and Non-

Executive Directors with half of the Board of the Company comprising Independent Directors. As on March 31, 2022, the Board comprise of Eight Directors comprising three Executive Directors (including Chairman), one Non-Executive Director and Four Independent Directors (including One Women Director). All three Executive Directors are Promoters/ Promoter Group Members. There is no Nominee or Shareholders' Director on the Board of the Company.

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

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

## DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S)/ CHAIRMANSHIP(S) AND OTHER DETAILS AS ON MARCH 31, 2022

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s)/ Chairmanship(s), date of joining the Board and their shareholding in the Company as on March 31, 2022 are provided herein below:

DIN	Name of Director	Date of Joining the Board	No of Shares held in the Company	No. of Directorship in other Companies*	Name of Other Listed Entity (Type of Directorship)	Membership / Chairpersonship of Committees in other Companies#	Inter-Se Relations
<b>Executive Directors</b>							
00057722	Jayantibhai J Chandra Chairman & Managing Director	18.06.1986	13,51,742	--	--	--	Father of Mr. Neeraj J Chandra
00057735	Mahendra J Patel Whole-time Director & CFO	30.11.1994	2,77,848	--	--	--	--
00065159	Neeraj J Chandra Whole-time Director	01.03.2012	1,05,118	--	--	--	Son of Mr. Jayantibhai J Chandra
<b>Non-Executive Non-Independent Director</b>							
00230480	Vijay K Kedia	31.01.2009	--	1	--	--	--

DIN	Name of Director	Date of Joining the Board	No of Shares held in the Company	No. of Directorship in other Companies*	Name of Other Listed Entity (Type of Directorship)	Membership / Chairpersonship of Committees in other Companies#	Inter-Se Relations
<b>Independent Directors</b>							
06872059	Aarti J Juneja	09.02.2019	--	1	--	--	--
08535435	Mohan jit Walia	10.08.2019	--	--	--	--	--
05014980	Vijay Kumar Goel	25.08.2020	--	--	--	--	--
08537472	Jaichander Swaminathan	26.08.2019	--	--	--	--	--

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

# Includes only Audit Committee and Stakeholders' Relationship Committee.

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

#### APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS & TENURE

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

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

The first term of Mr. Mohan Jit Walia and Mr. Jaichander Swaminathan as Independent Directors of the Company expires on August 09, 2022 and August 25, 2022 respectively. As they further qualifies and being eligible, on the recommendations of the Nomination and Remuneration Committee of the Company, the Board of Directors has reappointed Mr. Walia by passing the resolution through circulation on August 08, 2022 and reappointed Mr. Swaminathan at its Meeting held on August 13, 2022, for three more years i.e. upto August 08, 2025 and August 24, 2025 respectively subject to approval of shareholders in ensuing Annual general Meeting. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing their candidatures for the office of Independent Directors. The brief profile of both the directors are annexed to the notice of AGM.

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

#### DECLARATIONS OF INDEPENDENCE

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and that they are independent of the management.

#### BOARD MEETINGS

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

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

Name of Director	Board Meeting Dates and Attendance						Last AGM Date and Attendance
	June 10, 2021	June 25, 2021	August 07, 2021	September 10, 2021	November 13, 2021	February 12, 2022	September 28, 2021
J J Chandra	Y	Y	Y	Y	Y	Y	Y
Mahendra J Patel	Y	Y	Y	Y	Y	Y	Y
Neeraj J Chandra	Y	Y	Y	Y	Y	Y	Y
Vijay K Kedia	Y	Y	Y	Y	Y	Y	Y
Aarti Juneja	Y	Y	Y	Y	Y	Y	Y
Mohan Jit Walia	Y	Y	Y	Y	Y	Y	Y
Jaichander Swaminathan	Y	Y	Y	Y	Y	Y	Y
Vijay Kumar Goel	N	Y	Y	Y	Y	Y	Y

Y: Attended, N: Not Attended

The maximum interval between any two meetings was well within the maximum allowed gap as per the Companies Act, 2013 and SEBI Listing Regulations, 2015.

### **BOARD PROCEDURES**

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

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

### **SEPARATE INDEPENDENT DIRECTORS' MEETINGS**

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, the Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. During the financial year ended March 31, 2022, the Independent Directors met on March 30, 2022. All Independent Directors were present in the meeting. They review the performance of non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non- Executive Directors. They have also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### **FAMILIARISATION PROGRAMME**

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

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

Company. All Independent Directors have attended the same.

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

### **PERFORMANCE EVALUATION**

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

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2021-22. A structured questionnaire was prepared after circulating the draft forms, covering various parameters. The performance evaluations of all the independent directors have been done by the entire Board of Directors, excluding the director being evaluated. Independent Directors have evaluated the performance of non-independent directors and Board as a whole at the separate meeting of Independent Directors. Independent directors have also reviewed the performance of the Chairperson of the company, taking into account the views of executive directors, non-executive directors and members of senior management. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise.

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

The Board of Directors at its meeting held on May 27, 2022, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. Based on the outcome of the Evaluation, the Board and Committees have agreed on the action plan to improve on the identified parameters.

### **KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES**

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

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

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

## B. COMMITTEES OF THE BOARD

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

the Committee Meetings. The minutes of the meetings of all Committees are placed before the Board for review.

The Board has established the following statutory Committees:

### AUDIT COMMITTEE

The Audit Committee met six times during the financial year 2021-22. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2021-22 are detailed below:

Name of Director	Designation	10.06.2021	25.06.2021	07.08.2021	10.09.2021	13.11.2021	12.02.2022
Aarti J Juneja	Chairperson	Y	Y	Y	Y	Y	Y
Mohan jit Walia	Member	Y	Y	Y	Y	Y	Y
Jaichander Swaminathan	Member	Y	Y	Y	Y	Y	Y
Vijay Kumar Goel	Member	N	Y	N	Y	Y	Y

Y: Attended, N: Not Attended

All members of audit committee are financially literate and Ms. Aarti J Juneja has accounting and related financial management expertise.

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

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement are correct, sufficient and credible;
- reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;

- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;

- reviewing with management, Statutory Auditors, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- reviewing the functioning of the Code of Conduct and Whistle Blowing mechanism.

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

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

#### NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22 is detailed below:

Name of Director	Designation	25.06.2021
Mohan Jit Walia	Chairman	Y
Aarti J Juneja	Member	Y
Jaichander Swaminathan	Member	Y
Vijay Kumar Goel	Member	Y

Y: Attended, N: Not Attended

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

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

- Determine/ recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine/ recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;

- Specify the manner for effective evaluation of performance of Board, its committees and individual directors.

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

#### REMUNERATION OF DIRECTORS

The detailed terms of reference of the Nomination and Policy of Remuneration is contained in the 'Nomination and Remuneration Policy' which is available on the website of the Company at <https://atulauto.co.in/corporate-governance-reports.aspx>.

- No pecuniary relationship exists between the Company and Non-Executive Directors except the holding of 1.465% equity shares of the Company by Kedia Securities Private Limited in which Mr. Vijay Kedia is interested as on March 31, 2022.
- During the financial year 2021-22, the Company has made payment of ₹81,28,399/- to Mr. Vijay Kedia, Non-Executive Director of the Company against purchase of 5,02,995 equity Shares of face value of ₹10/- of Khusbu Auto Finance Limited at the price of ₹16.16/- per share (as determined by the registered valuer) as part of making KAFL a Wholly-Owned Subsidiary of Atul Auto Limited. Further, all Non-Executive Directors have also been paid sitting fees for attending Board and Committee Meetings. No other transaction has been made with Non-Executive Directors.
- The Directors have not been paid any commission, performance linked incentives, and performance linked remuneration or any stock option during financial year 2021-22.
- The following is the bifurcation of fixed component of the remuneration package of executive Directors paid during FY 2021-22:

Fixed Component of Remuneration	Annual Remuneration - FY 2021-22 (Amount in Rs.)		
	J J Chandra	Mahendra Patel	Neeraj Chandra
Basic	95,19,700	83,43,600	46,48,400
Contribution to Super Annuation Fund	1,50,000	1,50,000	1,50,000
Contribution to Provident Fund	--	21,600	21,600
Total	96,69,700	85,15,200	48,20,000

- The Executive Directors have forgiven their approximately forty percent of the remuneration during FY 2021-22. The annual remuneration approved by the Shareholders for Mr. J J Chandra, Mr. Mahendra Patel and Mr. Neeraj Chandra are ₹1,60,92,000/-, ₹1,39,68,000/- and ₹78,00,000/- per annum respectively.
- In addition to the above, the Company pays for the health insurance of Director and his family members upto ₹40,000/- per Executive Director annually and yearly premium for personal accident cover upto ₹30,000/- per Executive

Director annually as part of Company policy.

- The contract period of employment for Mr. Jayantibhai J Chandra and Mr. Mahendra J Patel are of three years from April 01, 2022 to March 31, 2027 and for Mr. Neeraj J Chandra is of three years from April 01, 2021 to March 31, 2024.
- The notice period applicable to all three executive directors is three months. There is no severance fees.

### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22 is detailed below:

Name of Director	Designation	25.06.2021
Vijay Kumar Goel	Chairman	Y
Aarti Juneja	Member	Y
Mohan Jit Walia	Member	Y
Jaichander Swaminathan	Member	Y

Y: Attended, N: Not Attended

The role of Stakeholders' Relationship Committee includes supervision of shareholder grievances mechanism, ensuring expeditious share transmission/ transposition process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The Committee also reviews matters relating to unclaimed equity shares and dividend/shares transferred to Investor Education and Protection Fund (IEPF) pursuant to the IEPF Rules. The Committee considers and resolves the grievances of the security holders of the listed entity including complaints related to transmission/ transposition of shares, non-receipt of annual report and non-receipt of declared dividends etc.

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

Mr. Paras J. Viramgama, Company Secretary, is Compliance Officer for resolution of Shareholder's/ Investor's complaints. During the Financial Year ended March 31, 2022, two complaints were received from the shareholders and resolved during the year. No complaint was pending or unresolved as on March 31, 2022.

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR Committee")

The composition of CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22 is detailed below:

Name of Director	Designation	25.06.2021
Jayantibhai Chandra	Chairman	Y
Aarti Juneja	Member	Y
Mohan Jit Walia	Member	Y
Vijay Kumar Goel	Member	Y

Y: Attended, N: Not Attended

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

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

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

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

With the Companies (Amendment) Act, 2020, where the amount to be spent for CSR does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under section 135 shall be discharged by the Board of Directors of such company. The liability for CSR for FY 2022-23 for the Company is Rs.14,13,487/- and hence, the Board of directors at its meeting held on May 27, 2022 dissolved the CSR Committee with immediate effect.

### RISK MANAGEMENT COMMITTEE

Pursuant to regulation 21(5) of the SEBI Listing Regulations, 2015, the constitution of Risk Management Committee was applicable to top 500 companies. With amendment to regulation 21(5) of the SEBI Listing Regulations, 2015 with effect from May 05, 2021, the board of directors of top 1000 listed entities, determined on the basis of market capitalization, required to constitute the Risk Management Committee.

As the Company falls in the list of top 1000 Company as on March 31, 2021, the Board at its Meeting held on August 07, 2021 constituted the Risk Management Committee. Mr. Mahendra J Patel, Mr. Neeraj J Chandra and Mr. Vijay K Kedia and Jaichander Swaminathan are members of the Committee.

The composition of Risk Management Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2021-22 is detailed below:

Name of Director	Designation	23.03.2022	30.03.2022
Mahendra J Patel	Chairman	Y	Y
Neeraj J Chandra	Member	Y	Y
Vijay K Kedia	Member	Y	N
Jaichander Swaminathan	Member	Y	Y

Y: Attended, N: Not Attended

### C. GOVERNANCE OF SUBSIDIARY COMPANY

The Board of Directors of the Company is also responsible for governance of the subsidiary companies namely Atul Green Automotive Private Limited (CIN: U74999GJ2018PTC100815), Atul Greentech Private Limited (CIN: U31909GJ2020PTC112350) and Khushbu Auto Finance Limited (CIN: U74999GJ1994PLC022816). All these are wholly owned subsidiary of Atul Auto Limited as on March 31, 2022.

The minutes of the Board Meetings of all the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of both the subsidiary companies are presented to the Audit Committee.

Khushbu Auto Finance Limited ("KAFL") has become wholly owned subsidiary of the Company after completion the acquisition of 70% equity share capital of KAFL whereby making it Wholly Owned Subsidiary on September 01, 2021. Before the acquisition, the Company was holding 30% equity share capital of KAFL.

As per explanation provided under the Regulation 24 of the SEBI Listing Regulations, 2015, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

KAFL, wholly owned subsidiary of the Company is to be considered as unlisted material subsidiary since net-worth of KAFL (₹68 Crore) is more than 20% of net-worth of AAL (₹293 Crore) as on March 31, 2021.

The Board of Directors of KAFL, at its meeting held on February 21, 2022 has appointed Ms. Aarti Juneja (DIN: 06872059), Independent Director of the Company as Director of KAFL as per the said regulation which states that at least one independent director of the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary.

The Board of Directors of the Company has approved to manufacture, assemble and sale electric three-wheelers by Atul Greentech Private Limited ("AGPL"). To meet the fund requirements of AGPL, AGPL has raised ₹15 Crore by way of allotment of 25,00,000 Lakh equity shares of ₹10/- each at a price of ₹60/- each (Evaluated by Registered Valuer) through private placement to the shareholder/s other than Atul Auto Limited including Mr. Vijay Kedia, Non-Executive Director (DIN: 00230480) of Atul Auto Limited in the month of May 2022. Post-allotment, Atul Auto Limited holds eighty percent stake in AGPL.

Whereas Atul Green Automotive is in the business of sales of spare parts of Atul vehicles to certain international markets.

## **D. COMPANY POLICIES**

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

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

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

are reported to the Management Committee and are subject to the review of the Audit Committee.

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

### **CODE OF CONDUCT**

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board Members and Senior Management Personnel. The Company has adopted a Code of Conduct for members of the Board and the Senior Management Personnel. The same have been posted on the website. The Codes aim at ensuring consistent standards of conduct and ethical business practices across the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended March 31, 2022. The declaration to this effect signed by Mr. J J Chandra, Chairman and Managing Director of the Company forms part of the report. A copy of the said Code of Conduct is available on the website of the Company <https://atulauto.co.in/corporate-governance-reports.aspx>

### **POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS**

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions which is also available at Company's website under the web link: <https://atulauto.co.in/corporate-governance-reports.aspx> The Company has made necessary modifications to the said policy in line with the amendments introduced by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021.

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

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

### **INSIDER TRADING CODES**

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and Code of Fair Disclosure Policy have been uploaded on website of the Company and can be accessed through the <https://atulauto.co.in/corporate-governance-reports.aspx>

The Company has been updating its Code/ Policy from time to time to comply with the several amendments made by SEBI to the SEBI Insider Trading Regulations.

## POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

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

## E. OTHER DISCLOSURES AND AFFIRMATIONS

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

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

**Secretarial Compliance Report:** SEBI vide its Circular No. CIR/CFD/ CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries in Form MR-3 and is required to be submitted to Stock Exchanges within sixty days from the end of the financial year.

The Company has engaged the services of CS Hardik Hudda, M/s. Hardik Hudda & Associates (Membership No: A39621, CP No.: 14697), Peer Reviewed Practicing Company Secretary and Secretarial Auditor of the Company for providing the said report. The said report has been submitted with the stock exchanges within the time-limit.

**Secretarial Audit of Material Unlisted Indian Subsidiary:** The Secretarial Audit of Khushbu Auto Finance Limited ("KAFL"), a material unlisted subsidiary of the Company carried out for the Financial Year 2021-22 pursuant to section 204 of the Companies Act, 2013 and Regulation 24A of the Listing Regulations. The Secretarial Audit Report of KAFL has been issued by CS Hardik Hudda, M/s. Hardik Hudda & Associates (Membership No: A39621, CP No.: 14697). This Secretarial Audit Report has been attached as Annexure [B] to the Director's Report.

**Total fees paid to Statutory Auditors of the Company:** Total fees of ₹5.67 Lacs for financial year 2021-22, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**Disclosure of accounting treatment in preparation of financial statements:** The Company adopted Indian Accounting Standards (Ind AS) from April 01, 2017. Accordingly, the financial statements

have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

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

**CEO/CFO Certification:** As required under Regulation 17 of the Listing Regulations, the CEO/ CFO Certificate for the financial year 2021-22 signed by Mr. J J Chandra, Chairman & Managing Director and Mr. Mahendra J Patel, Whole-time Director & CFO, was placed before the Board of Directors of the Company at its meeting held on May 27, 2022. The same has been annexed.

**Certificate on Non-Disqualification of Directors:** The Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Hardik Hudda, M/s. Hardik Hudda & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on August 13, 2022. The same has been annexed.

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

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

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The details of number of complaints filed and disposed of during the year and pending as on March 31, 2022 is given in the Directors' report.

**Compliance with Discretionary Requirements of regulation 27 (1):** In addition to mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has also complied with following discretionary requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

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

## GENERAL SHAREHOLDER INFORMATION

### GENERAL BODY MEETINGS OF LAST THREE YEARS:

Financial Year	Date and Time	Venue	Details of special resolutions passed
2018-19	September 30, 2019 11:00 am	Registered Office	<ul style="list-style-type: none"> <li>Ratification of Appointment of Mr. Hasmukh H Adhvaryoo (DIN: 06456067)</li> <li>Creation of charge/ providing of security while borrowing money</li> <li>Increase in remuneration of Mr. Jayantibhai J Chandra, Chairman and Managing Director</li> <li>Increase in remuneration of Mr. Mahendra J Patel, Whole-time Director &amp; CFO</li> <li>Increase in remuneration of Mr. Neeraj J Chandra, Whole-time Director</li> </ul>
2019-20	September 29, 2020 03.00 pm (IST)	Registered Office (Through VC/OAVM)	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Neeraj J Chandra (DIN: 00065159) as Whole-time Director</li> </ul>
2020-21	September 28, 2021 03.30 pm (IST)	Registered Office (Through VC/OAVM)	<ul style="list-style-type: none"> <li>Re-appointment of Ms. Aarti J Juneja (DIN: 06872059) as Independent Director</li> <li>Re-appointment of Mr. Jayantibhai J Chandra (DIN: 00057722) as Chairman and Managing Director</li> <li>Re-appointment of Mr. Mahendra J Patel (DIN: 00057735) as Whole-time Director &amp; CFO</li> </ul>

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

### ANNUAL GENERAL MEETING FOR FY 2021-22:

Date : Tuesday, September 27, 2022  
Time : 11:00 am (IST)  
Venue : VC/ OAVM

### DATE OF BOOK CLOSURE:

From : September 21, 2022  
To : September 27, 2022

### DIVIDEND DETAILS:

No Dividend declared during Financial Year 2021-22

### FINANCIAL YEAR:

From April 01, 2021 to March 31, 2022

### LISTING DETAILS:

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

### ISIN

ISIN for equity share of ₹5/- each : INE951D01028

The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended March 31, 2022.

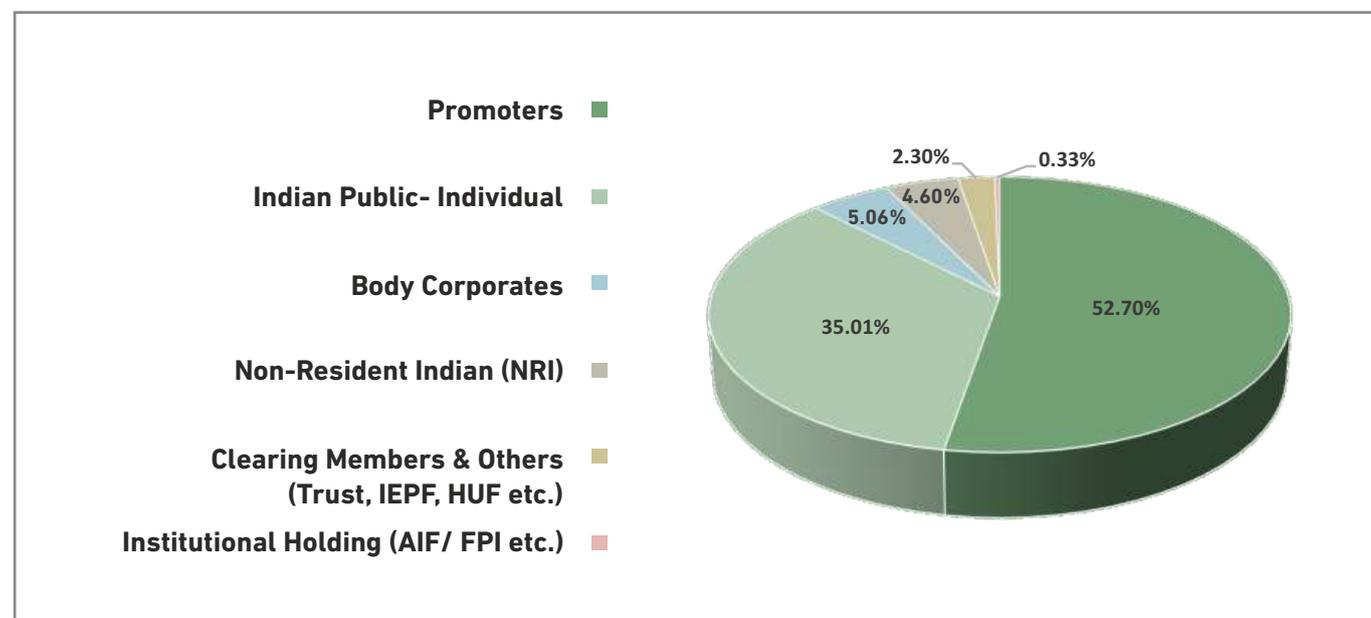
### DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on March 31, 2022 is as follows:

No. of Shares		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Shares	% of Shares
-	100	32935	75.67%	1125267	5.13%
101	200	4466	10.26%	720109	3.28%
201	500	3690	8.48%	1275456	5.81%
501	1000	1351	3.10%	1055457	4.81%
1001	5000	865	1.99%	1821611	8.30%
5001	10000	84	0.19%	634011	2.89%
10001	100000	98	0.23%	2289078	10.43%
100001	ABOVE	36	0.08%	13022211	59.35%
	<b>Total</b>	<b>43525</b>	<b>100.00%</b>	<b>21943200</b>	<b>100.00%</b>

## CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2022

Type Of Shareholders	No. of Shares	Percentage
Promoters	11563810	52.70%
Indian Public - Individual	7680740	35.01%
Body Corporates	1110998	5.06%
Non-Resident Indian (NRI)	1009655	4.60%
Clearing Members & Others (Trust, IEPF, HUF etc.)	505776	2.30%
Institutional Holding (AIF/ FPI etc.)	72221	0.33%



## DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on March 31, 2022 are as under:

Mode of Holding	No. of shares	% of shares
NSDL Holding	1,51,59,076	69.08%
CDSL Holding	65,89,682	30.03%
Physical Mode	1,94,442	0.89%
Total	2,19,43,200	100.00%

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

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

## UNCLAIMED DIVIDEND/ SHARE CERTIFICATE

Pursuant to provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer, such unclaimed or unpaid dividend shall be transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act.

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

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time), the shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules.

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, ₹4,18,796/- of unpaid/ unclaimed dividend and 2,538 shares of face value of ₹5/- each transferred during the financial year 2021-22 to the Investor Education and Protection Fund/ Demat account of IEPAF.

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

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

## SHARE TRANSFER SYSTEM

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

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

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

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

## CREDIT RATING

The Company was assigned the credit rating of CRISIL A-/ Stable (Downgraded from CRISIL A/Stable) for its long term bank loan facilities and CRISIL A2+ (Downgraded from CRISIL A1) for its short term bank loan facilities. During FY 2021-22, it was downgraded to CRISIL BBB+/ Negative for its long term bank loan facilities and CRISIL A2 for its short term bank loan facilities.

## MARKET PRICE DATA

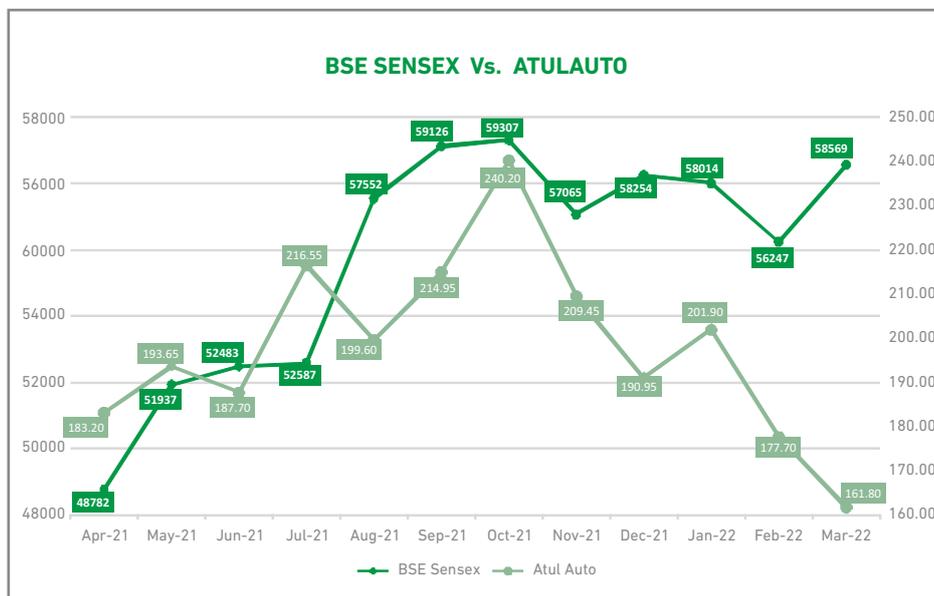
The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2022 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-21	194.25	162.60	2,51,693	194.80	164.20	25,90,750
May-21	197.05	171.00	3,07,589	197.00	171.10	27,75,891
Jun-21	204.75	182.00	6,23,505	207.00	184.20	55,14,026
Jul-21	237.00	185.95	12,93,506	237.00	185.25	1,32,44,929
Aug-21	226.00	183.50	6,24,916	226.20	183.40	43,28,390
Sep-21	225.60	190.95	5,53,735	225.80	190.00	49,53,795
Oct-21	250.10	212.70	9,36,423	250.30	212.20	68,11,499
Nov-21	270.00	202.40	6,00,976	268.25	199.25	46,54,464
Dec-21	225.00	186.55	2,48,551	239.00	186.00	23,55,481
Jan-22	216.35	188.65	4,17,883	216.45	188.00	27,06,988
Feb-22	209.00	158.00	1,77,234	209.50	146.50	13,79,218
Mar-22	182.00	156.30	3,36,603	182.70	156.20	17,30,299

## PERFORMANCE IN COMPARISON TO BROAD-BASED INDEX

The Chart below shows the comparison of Company's share price movement on BSE vis-à-vis the movement of BSE Sensex for the financial year ended March 31, 2022 (based on month end closing):

Month	BSE Sensex	ATULAUTO
Apr-21	48782	183.20
May-21	51937	193.65
Jun-21	52483	187.70
Jul-21	52587	216.55
Aug-21	57552	199.60
Sep-21	59126	214.95
Oct-21	59307	240.20
Nov-21	57065	209.45
Dec-21	58254	190.95
Jan-22	58014	201.90
Feb-22	56247	177.70
Mar-22	58569	161.80



## MEANS OF COMMUNICATIONS

### Publication of quarterly financial results

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

### Website and News Releases

A separate section under "INVESTORS" on the Company's website [www.atulauto.co.in](http://www.atulauto.co.in) gives information on various announcements made by the Company, status of unclaimed dividend/ share, stock quotes, Annual Report, Quarterly, Half-yearly and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

### Stock Exchange

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

### Designated Email Address for Investor Services

The designated email address for investor complaints is [investorrelations@atulauto.co.in](mailto:investorrelations@atulauto.co.in)

### Physical Communication

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

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

### Atul Auto Limited

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

### PLANT LOCATION:

#### Shapar Plant

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

#### Ahmedabad Plant

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

# ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

## DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that Atul Auto Limited ("the Company") has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2022.

Bhayla, Ahmedabad  
May 27, 2022

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

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

To,  
The Board of Directors,  
Atul Auto Limited,

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

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2022 and that to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the step we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit committee that:
  - i) Significant changes, if any in internal control over financial reporting during the year;
  - ii) Significant changes, if any in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

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

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

Bhayla, Ahmedabad  
May 27, 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2022 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Jayantibhai Jagjivanbhai Chandra	00057722	18/06/1986
2	Mahendra Jamnadas Patel	00057735	30/11/1994
3	Neeraj Jayantibhai Chandra	00065159	01/03/2012
4	Vijay Kishanlal Kedia	00230480	31/01/2009
5	Aarti Jeetendra Juneja	06872059	09/02/2019
6	Mohanjit Singh Walia	08535435	10/08/2019
7	Swaminathan Jaichander	08537472	26/08/2019
8	Vijay Kumar Goel	05014980	25/08/2020

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

**For Hardik Hudda & Associates,  
Practicing Company Secretaries**

**CS Hardik Hudda  
Proprietor  
Membership No: A39621 CP No.: 14697  
Peer Review No. 1805/2022  
UDIN: A039621D000472075**

June 07, 2022  
Ahmedabad

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

To  
the Members of Atul Auto Limited

- 1) This certificate is issued in accordance with the terms of our engagement letter dated June 25, 2021.
- 2) We, Kamlesh Rathod & Associates, Chartered Accountants, the Statutory Auditors of Atul Auto Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Management's Responsibility**

- 3) The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliances with the conditions of Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

- 4) Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
- 5) Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2022.
- 6) We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certificate of Corporate Governance issued by the institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
- 7) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

- 8) In our opinion and to the best of our information and according to explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
- 9) We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Restriction on use**

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

Jamnagar  
August 13, 2022

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

**Sagar Shah,**  
**Partner**  
**Membership No: 131261**  
**UDIN: 22131261APDNJD8047**

# INDEPENDENT AUDITOR'S REPORT

## On the Standalone Indian Accounting Standards (Ind AS) Financial Statements

To the Members of  
**ATUL AUTO LIMITED**

### Opinion

We have audited the accompanying Ind AS Standalone financial statements of **ATUL AUTO LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss which also includes Other Comprehensive Income and Cash Flow Statement and the statement of Changes in Equity for the year ended, and notes to financial statements including summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013, as amended ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of

Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on standalone Ind AS financial statements.

### Emphasis of Matter

Attention is drawn to the following Notes to the Ind AS financial statements:

We would like to draw your attention to Note No. 47 of the Standalone Financial Statements which states the management's estimation of impact of COVID-19 on financial statements of the company for the year ended March 31, 2022.

Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key Audit Matters to be communicated in our Report:-

Sr. No.	Key Audit Matter	Auditor's Response
1.	<b>Going Concern</b>  <b>Matter-</b> Evaluation of Going Concern	<b>Principal Audit Procedures-</b>  The evaluation of going concern basis of accounting performed by the management of the Company is identified as a key audit matter because as at March 31, 2022, the Company had incurred Cash Losses in preceding 2 Financial Years.  We have been provided by management with a detailed future plan of the company involving Future Ratios and expected realisation of its Financial assets and payment of financial liabilities and other accompanying financial and Non Financial Information as to justify the future viability of the business.  We have not just relied on the management's plan and has performed additional audit procedures as to evaluate whether any material uncertainty exists over going concern and we are of opinion that there is no material uncertainty exists over going concern as on the date of this report and that the company is capable of meeting its liabilities existing as on reporting date as and when they fall due within a period of one year from the said date.
2.	<b>Capitalisation of Phase-1 Bhayla Plant</b>  <b>Matter-</b> Evaluation of Capitalisation of Bhayla Plant Phase 1 and its borrowing costs thereon	<b>Principal Audit Procedures-</b>  We have vouched Additions to Fixed Assets with its Invoices and Other Documents on Sampling Basis.  We have obtained Completion certificates of Engineers and also Physically verified the Plant to obtain sufficient and appropriate audit evidences as to whether the conditions to Capitalise the Project as per Ind AS 16 and Ind AS 23 has been met.  We have also reviewed the Board Meetings and correspondences with regards to their future plans to use the Plant.

Sr. No.	Key Audit Matter	Auditor's Response
3.	<p><b>Acquisition of Shares of Khusbu Auto Finance Ltd (KAFL)</b></p> <p><b>Matter-</b> Acquisition of Balance 70% Shares of Khusbu Auto Finance Ltd (KAFL - WOS w.e.f. 01/09/2021)</p>	<p><b>Principal Audit Procedures-</b></p> <p>We reviewed the management plans, MOU with KAFL &amp; its Promoters Dt. 30/10/2020, resolution passed, minutes of meetings, valuation report of the Registered Valuer for the acquisition of Shares in KAFL.</p> <p>We have also examined the said transaction with the requirement of provisions of Companies Act 2013, SEBI Lodr, Approval of RBI etc.</p>

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

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

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

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

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

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Management 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 Ind AS financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with relevant rules issued there under.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements,

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

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

### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2020 ("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", 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 purpose of our audit.
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account. The company is having SAP system for maintenance of books of accounts through which Standard Trial Balance of both units(Shapar&Bhayla) is being generated and consolidated through the system.
  - d. In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.

- e. The observations relating to the maintenance of accounts and other matters connected therewith are as stated in the Emphasis of Matter paragraph above.
- f. On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

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

- h. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- i. (a) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose

financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

j. 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 Ind AS financial statements – Refer Note No. 34 to the Ind AS financial statements.

ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note No. 35 to the Ind AS financial statements.

**For Kamlesh Rathod & Associates**

**Chartered Accountants**

**FRN 117930W**

**Trupti Rathod**

**Partner**

**M.NO. 100684**

**UDIN: 22100684AMUMQY1863**

**Signed at Bhayla (Dist. Ahmedabad) on May27,2022**

## ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date of Atul Auto Limited

### I) Property, Plant and Equipments and Intangible Assets

- a) i) The Company is maintaining the Property, Plant & Equipment and Intangible Assets records on SAP platform. Records contain full particulars including classification, quantitative details and location.
- ii) The Company is maintaining the Intangible Assets records on SAP platform. Intangible records contain full particulars.
- b) According to information provided by the management, the company has a program of physical verification in parts over 3 Years and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its assets.
- c) Based on the information and explanation provided to us, we are of the opinion that the title deeds of certain immovable properties, as disclosed in Note No. 02 to the Ind AS financial statements, are not held in the name of the Company as under:

Description	Gross Carrying Value	Held in Name of	Relationship with person in whose name Held	Period Held	Reasons for not being held in name of company
Right to use Common Approach Road to Bhayla Plant (Ahmedabad)	₹30 Lacs	Jayantilal Jagjivandas Chandra	Chairman and Managing Director (Key Managerial Personnel)	05 Years	It is an Agricultural Land and agreement of right to use of road has been entered into the name of Managing Director .

- d) Based on the information and explanation provided to us, the company has carried not out any revaluation activity of its Property Plant and Equipment and therefore this clause is not applicable to the company.
- e) Based on information and explanation provided to us, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder and therefore this clause is not applicable to the company.

### ii) Inventories

- a) As informed to us, Physical verification (PV) of Inventory (Except WIP and Stoke with third parties) has been carried out by the company during the year. The discrepancies, wherever noticed have been adjusted in the books of accounts as excess/short inventory. In our opinion, the frequency of verification is reasonable having regard to the size of the company and the nature of its Inventory.
- b) Refer to Note no. 09 & Note no.18 of Financial Statements and based on information and explanation provided to us, the company has been sanctioned working capital limits in excess of limits specified in the

order, in aggregate, from banks or financial institutions on the basis of security of current assets & the periodic returns as well as revised returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

### iii) Loans/ Guarantees/ Securities Provided

- a) Refer to Note no. 45 of Financial Statements and as informed to us, company has made investments in, provided guarantee and/or security and/or granted loans or advances in the nature of secured/unsecured loans to companies, firms, Limited Liability Partnerships, and other Parties.

- l) Details of Aggregate amount of Loans, Advances, Guarantees and Securities made to Subsidiaries, Associates and Joint Ventures are as below-

(₹ In Lakhs)

Nature	Aggregate Amount (₹)	Balance Outstanding (₹)	Party	Relationship with Party
Inter-Corporate Deposit	1,270	550	Atul Greentech Private Limited	Wholly Owned Subsidiary
Guarantee to Chola Mandalam Finance in respect of finance made as per tri-party agreement	987	987	Khushbu Auto Finance Limited	Wholly Owned Subsidiary (w. e. f. 01/09/2021)
Guarantee to Bankers	2,000	1,653	Atul Greentech Private Limited	Wholly Owned Subsidiary
Guarantee to Bankers	13,000	4,797	Khushbu Auto Finance Limited	Wholly Owned Subsidiary (w. e. f. 01/09/2021)

- ii) Details of Aggregate amount of Loans, Advances, Guarantees and Securities made to other than Subsidiaries, Associates and Joint Ventures are as below-

(₹ in Lacs)

Nature	Aggregate Amount (₹)	Balance Outstanding (₹)	Party
Guarantee to Chola Mandalam Finance in respect of finance made to end user	5,228	5,228	End Users of AAL (Considering business requirement and rationale of the company)
Staff Advances	5	5	Employees of Atul Auto Limited.

- b) Based on the information and explanation provided to us, the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are not prejudicial to the company's interest.
- c) As informed to us, the schedule of repayment of principal and payment of interest of Loans has been stipulated and repayments or receipts are regular.
- d) As informed to us, no amount of loan is overdue for more than 90 Days.

- e) Refer to Note no. 45 of Financial Statements and based upon information and explanation provided to us, the company has not renewed any loans or granted fresh loans for the loans falling due this year and therefore this sub-clause is not applicable to the company.
- f) Refer to Note no. 45 of Financial Statements and based upon information and explanation provided to us, the company has granted following loans which are either repayable on demand or loans without any terms or period of repayment.

(₹ in Lacs)			
Party to which loan is granted	Relation with Party to which the Loan is granted	Aggregate Amount of Loan Outstanding (₹)	Percentage(%) to Total Loans Granted
Atul Greentech Private Limited	Subsidiary	550	99%
Staff Advances	Employees	5	1%

#### iv) Loans, Investments, Guarantees and Securities

In our opinion and according to the information and explanations given to us, there are no loans, guarantees and securities given in respect of which provisions of section 185 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provision of section 186 of the Act with respect to loan, guarantee and investments made have been complied with by company.

#### v) Deposits

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit and hence the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted is not applicable to the Company. Therefore, the provision of Clause (v) of paragraph 3 of "the Order" is not applicable to the Company.

#### vi) Cost Records

The Central Government has not prescribed maintenance of cost records under section 148 (1) of the Companies Act, 2013 therefore clause (v) of paragraph 3 of "the Order" is not applicable to the Company.

#### vii) Statutory Dues

- a) According to the information given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Value Added Tax, Service Tax, Customs Duty, Excise Duty, GST, CESS and other applicable statutory dues with the appropriate authorities. As per information and explanations given to us there are no arrears of undisputed statutory dues outstanding as at March 31, 2022, for the period of more than six months from the date they become payable.
- b) According to the information and explanations to the extent provided to us, the details of the disputed statutory dues including Provident Fund, Employee's State Insurance, Income Tax, Value Added Tax, Service

Tax, Customs Duty, Excise Duty, GST, CESS and other applicable statutory dues, which have not been deposited on account of dispute, are as under:-

(₹ in Lacs)					
Name of Statute	Nature of the dues	Period	Amount Demanded	Amount Deposited	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	2012-13	5	-	Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	2014-15	16	-	Commissioner (Appeals)
The Income Tax Act, 1961	Income Tax	2017-18	29	-	Commissioner (Appeals)
The Gujarat VAT Act, 2006	Sales Tax	2001-02 and 2002-03	15	3	Supreme Court
The Gujarat VAT Act, 2006	VAT	2006-07	14	-	VAT Tribunal
The Central Sales Tax, 1956	CST	2001-02 And 2002-03	3	1	Supreme Court
Central Excise Act, 1944	Excise	2007-10	1	-	CESTAT

#### viii) Undisclosed Income

As informed to us and on basis of explanations provided to us, the company has not surrendered or disclosed any transaction not recorded in books of accounts as income during the year in the tax assessments under the Income Tax Act, 1961.

#### ix) Repayment of Loans and Other Borrowings

- a) As informed to us and on basis of explanations provided to us, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) As informed to us, company is not declared as a wilful defaulter by any bank or financial institution or other lender.
- c) As informed to us, the company has availed term loan from Exim bank for its Ahmedabad Expansion Project and other Capex. Moreover, the company has initially funded all capex through its internal accruals. Post that company has taken disbursement of term loan in the form of reimbursement.
- d) As informed to us, the company has not utilised the funds raised on short term basis for long term purposes.
- e) According to the information and explanations to the extent provided to us, the company has taken not obtained any funds from lenders to meet the obligations of its subsidiaries, associates and joint ventures.
- f) According to the information and explanations to the extent provided to us, the company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies and therefore this sub-clause is not applicable to the company.

**x) IPO/FP0/Private Placement/Preferential Allotment**

- In our opinion and according to the information and explanations given to us, the Company has not raised money by way of Initial Public Offer or further Public Offer during the Year.
- In our opinion and according to the information and explanations given to us, the Company has not raised money by way of Private Placement or Preferential Allotment of shares or convertible debentures during the year.

**xi) Fraud**

- During 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, no fraud by the Company or any fraud on the company has been noticed or reported during the year.
- No report has been filed by the us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government under sub-section 12 of Section 143 of Companies Act, 2013.
- We have not come across any whistle-blower complaints made in the company during the year.

**xii) Nidhi Company**

The Company is not a Nidhi Company as defined under section 406 of Companies Act, 2013. Therefore, clause (xii) of paragraph 3 of the order is not applicable to the Company.

**xiii) Related Party Transactions**

In our opinion and according to the information and explanations given to us, the Company is in compliance with section 188 and 177 of the Companies Act, 2013, where applicable, for all the transactions with related parties and the details of related party transactions have been disclosed in Note No. 41 to the financial statements.

**xiv) Internal Audit**

- On the basis of Information and explanations given to us the company has Internal Audit Division and company is evaluating proposals for appointment of external Chartered Accountant/Cost Accountant for internal audit of the company. Hence, internal audit system commensurate with the size & nature of the business are under development.
- As company is under process of appointment of Internal Auditor, no Internal Audit has been carried out by the external Chartered Accountant/Cost Accountant. Hence, no report of Internal Auditor has been considered by us.

**xv) Non-Cash Transactions with Directors**

As per the information and explanation given to us, Company has not entered into any non-cash transactions with directors or persons connected with him/her.

**xvi) NBFC Registration**

The Company is not required to be registered under section 45-

IA of the Reserve Bank of India Act, 1934 as NBFC. Therefore, clause (xvi) of paragraph 3 of "the order" is not applicable to the Company.

**xvii) Cash Losses**

During 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, the company has incurred cash losses in the Financial Year and in immediately preceding financial year.

(₹ in Lacs)		
Financial Year	Net Profit/(Loss)	Cash Profit/(Loss)
2021-22	(2,487)	(2,387)
2020-21	(1,020)	(648)

**xviii) Resignation by Statutory Auditors**

As informed to us and on basis of explanations provided to us, we are the statutory auditors from 4 preceding financial years. Therefore, clause (xviii) of paragraph 3 of "the order" is not applicable to the Company.

**xix) Material Uncertainty**

According to the information and explanations to the extent provided to us and on basis of financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, and commitment given by the promoters to brought in additional funds if required in form of ICD Unsecured loan for payment of instalment of term loan due within one year. we are of opinion that no material uncertainty exists as on the date of the audit report and that the company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

**xx) Corporate Social Responsibility**

- According to the information and explanations to the extent provided to us, the company has transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the Act.
- As informed to us, the company has transferred unspent amount under section 135(5) of Companies Act, 2013 to special account in compliance with the provision of sub-section (6) of section 135 of the said Act.

**For Kamlesh Rathod & Associates**  
Chartered Accountants  
FRN 117930W

**Trupti Rathod**  
Partner  
M. NO. 100684

**UDIN: 22100684AMUMQY1863**

**Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022**

## ANNEXURE B TO INDEPENDENT AUDITORS' REPORT

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

We have audited the internal financial control over financial reporting of ATUL AUTO LIMITED ('the company') as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statement of the company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

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

#### Auditors' Responsibility

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

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

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

#### Meaning of Internal Financial Control over Financial Reporting

A company's internal financial control over financial reporting

is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

#### Inherent Limitations of Internal Financial Controls over Financial Reporting

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

#### Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**For Kamlesh Rathod & Associates**  
**Chartered Accountants**  
**FRN 117930W**

**Trupti Rathod**  
**Partner**  
**M. NO. 100684**  
**UDIN: 22100684AMUMQY1863**  
**Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022**

# BALANCE SHEET

as at March 31, 2022

(₹ in Lacs)

Sr. No.	Particulars	Note No.	March 31, 2022	March 31, 2021
	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	2	19,485	8,874
	(b) Right of use Asset	2	35	63
	(c) Capital Work-in-Progress	2	4,274	14,850
	(d) Investment Property	4	276	28
	(e) Intangible Assets	3	49	38
	(f) Financial Assets			
	(i) Investments	5	6,823	1,866
	(ii) Trade Receivables	10	153	148
	(g) Income Tax Assets	6	241	194
	(h) Deferred Tax Assets	17	780	-
	(i) Other Non-current Assets	8	883	1,207
	<b>Total Non-current Assets</b>		<b>32,999</b>	<b>27,268</b>
<b>(2)</b>	<b>Current Assets</b>			
	(a) Inventories	9	4,977	5,112
	(b) Financial Assets			
	(i) Investments	5	-	1,050
	(ii) Trade Receivables	10	2,076	2,320
	(iii) Cash and Cash Equivalents	11	505	710
	(iv) Other Bank Balance	12	31	138
	(iv) Loans	13	555	857
	(v) Other Financial Assets	7	36	19
	(c) Other Current Assets	8	713	598
	<b>Total Current Assets</b>		<b>8,893</b>	<b>10,804</b>
	<b>Total Assets</b>		<b>41,892</b>	<b>38,072</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	14	1,097	1,097
	(b) Other Equity	15	25,782	28,226
	<b>Total Equity</b>		<b>26,879</b>	<b>29,323</b>
	<b>LIABILITIES</b>			
<b>(3)</b>	<b>Non-current Liabilities</b>			
	(a) Financial Liability			
	(i) Borrowings	18	6,429	1,500
	(ii) Lease Liability	20	21	41
	(b) Provisions	16	78	27
	(c) Deferred Tax Liabilities (Net)	17	-	38
	<b>Total Non-current Liabilities</b>		<b>6,528</b>	<b>1,606</b>

Sr. No.	Particulars	Note No.	March 31, 2022	March 31, 2021
<b>(4)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	1,609	-
	(ii) Trade Payables			
	(A) Total outstanding dues of micro enterprises and small enterprises;	19	1,536	1,546
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,582	3,104
	(iii) Lease Liabilities	20	16	28
	(iv) Other Financial Liabilities	21	1,489	1,536
	(b) Other Current Liabilities	22	807	514
	(c) Provisions	16	375	415
	(d) Current Tax Liability	22	71	-
	<b>Total Current Liabilities</b>		<b>8,485</b>	<b>7,143</b>
	<b>Total Equity and Liabilities</b>		<b>41,892</b>	<b>38,072</b>

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

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

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

**Trupti Rathod**  
Partner  
Membership no. 100684  
Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022  
UDIN: 22100684AMUMQY1863

**J J Chandra**  
Chairman and Managing Director  
DIN : 00057722

**M J Patel**  
Whole time Director & CFO  
DIN : 00057735

**Paras J. Viramgama**  
Company Secretary

# STATEMENT OF PROFIT & LOSS

for the Year Ended March 31, 2022

					(₹ in Lacs)
Sr. No.	Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021	
<b>1</b>	<b>REVENUE FROM OPERATIONS</b>				
	a Revenue from Sale of Products	23	28,634	29,027	
	b Other Operating Income	23	748	563	
	<b>TOTAL INCOME FROM OPERATIONS</b>		<b>29,382</b>	<b>29,590</b>	
2	Other Income	24	239	186	
<b>3</b>	<b>TOTAL INCOME</b>		<b>29,621</b>	<b>29,776</b>	
<b>4</b>	<b>EXPENSES</b>				
	a Cost of Materials Consumed	25	24,327	24,271	
	b Purchase of Stock in Trade		-	-	
	c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	26	(288)	(352)	
	e Employee Benefits Expenses	27	3,966	3,773	
	f Finance Costs	28	400	88	
	g Depreciation and Amortisation Expenses	29	933	656	
	h Product Development Expense	30	95	186	
	i Other Expenses	31	3,437	2,474	
<b>5</b>	<b>TOTAL EXPENSES</b>		<b>32,870</b>	<b>31,096</b>	
6	Profit Before Exceptional Items		(3,249)	(1,320)	
7	Exceptional Items		-	-	
<b>8</b>	<b>Profit/(Loss) Before Tax</b>		<b>(3,249)</b>	<b>(1,320)</b>	
<b>9</b>	<b>Tax Expenses</b>		<b>(762)</b>	<b>(300)</b>	
	a Current Tax	32	71	(16)	
	b Deferred Tax	32	(833)	(284)	
<b>10</b>	<b>Profit /(Loss) for the Period</b>		<b>(2,487)</b>	<b>(1,020)</b>	
<b>11</b>	<b>Other Comprehensive Income, Net of Tax</b>		<b>43</b>	<b>18</b>	
	a Items that will not be reclassified to profit or loss				
	(i) Remeasurements of the defined benefit plans		57	23	
	(ii) Income tax effect on above		(14)	(5)	
	b Items that will be reclassified to profit or loss		-	-	
<b>12</b>	<b>Total Comprehensive Income for the Period (10+11)</b>		<b>(2,444)</b>	<b>(1,002)</b>	
<b>13</b>	<b>Earnings Per Equity Share</b>	<b>33</b>			
	Basic & Diluted		(11.33)	(4.65)	

The accompanying notes form an integral part of the standalone financial statements.

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

**Trupti Rathod**  
 Partner  
 Membership no. 100684  
 Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022  
 UDIN: 22100684AMUMQY1863

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

**J J Chandra**  
 Chairman and Managing Director  
 DIN : 00057722

**M J Patel**  
 Whole time Director & CFO  
 DIN : 00057735

**Paras J Viramgama**  
 Company Secretary

# STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

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

Particulars	Note No.	₹ in Lacs	
		March 31, 2022	March 31, 2021
At the beginning of the year		1,097	1,097
Changes in equity share capital during the year		-	-
At the end of the year	14	1,097	1,097

## (B) Other Equity (Note No. 15)

Particulars	Note No.	Capital Reserve	Security Premium	General Reserve	Shares Forfeiture	Retained Earnings	₹ in Lacs
							Total Other Equity
<b>Balance as at April 01, 2020</b>	<b>15</b>	<b>30</b>	<b>478</b>	<b>2,094</b>	<b>23</b>	<b>26,603</b>	<b>29,228</b>
Profit /(Loss) for the year	-	-	-	-	-	(1,020)	(1,020)
Other comprehensive income (net of tax)	-	-	-	-	-	18	18
<b>Total comprehensive income for the year ended March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,002)</b>	<b>(1,002)</b>
<b>Transaction with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>30</b>	<b>478</b>	<b>2,094</b>	<b>23</b>	<b>25,601</b>	<b>28,226</b>
Profit /(Loss) for the year	-	-	-	-	-	(2,487)	(2,487)
Other comprehensive income (net of tax)	-	-	-	-	-	43	43
<b>Total comprehensive income for the year ended March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,444)</b>	<b>(2,444)</b>
<b>Transaction with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>30</b>	<b>478</b>	<b>2,094</b>	<b>23</b>	<b>23,157</b>	<b>25,782</b>

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached

**For Kamlesh Rathod & Associates**

Chartered Accountants

FRN: 117930W

**Trupti Rathod**

Partner

Membership no. 100684

Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022

UDIN: 22100684AMUMQY1863

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

**J J Chandra**

Chairman and Managing Director

DIN : 00057722

**M J Patel**

Whole time Director & CFO

DIN : 00057735

**Paras J Viramgama**

Company Secretary

# STATEMENT OF CASH FLOW

for the year ended March 31, 2022

		(₹ in Lacs)	
	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	<b>(3,249)</b>	<b>(1,320)</b>
	Adjustment for:		
	Add/(Less):-		
	Provision for Doubtful Debts	43	261
	Depreciation & Impairment	933	656
	Finance Cost	400	84
	Interest on Income Tax	-	4
	<b>Sub Total</b>	<b>1,376</b>	<b>1,005</b>
	Less:-		
	Loss/(Profit) on Sale of Fixed Assets	(1)	(7)
	Profit on Redemption/Revaluation of Mutual Fund	(31)	(43)
	Interest Received on Deposits	(69)	(44)
	Unrealised Foreign Exchange (Gain)/Loss	26	40
	<b>Sub Total</b>	<b>(75)</b>	<b>(54)</b>
	<b>Operating Profit Before Working Capital Changes</b>	<b>(1,948)</b>	<b>(369)</b>
	Movements in Working Capital:		
	Decrease/-Increase in Trade Receivable	170	5,039
	Decrease/-Increase in Inventories	135	(309)
	Decrease/-Increase in Loans and Other Assets	(128)	(123)
	Increase/-Decrease in Trade Payables	(395)	1,454
	Increase/-Decrease in Liabilities/Provisions	314	(462)
	Total Movement in Working Capital	96	5,599
	Cash Generated from Operations	(1,852)	5,230
	Direct Taxes Paid (Net of Refunds)	(46)	(29)
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(1,898)</b>	<b>5,201</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets, Capital WIP and Advances for Capital Goods & of Payable	(1,051)	(3,957)
	Proceeds from Sale of Fixed Assets	36	52
	Net (Investment)/ Proceeds from Sale of Mutual Fund	1,081	(1,007)
	Investment in Wholly owned Subsidiary Company	(4,957)	(404)
	(Increase)/Decrease in Other Bank Balance	107	(8)
	Inter Corporate Deposit	302	(728)
	Interest Received on Deposits	69	44
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(4,413)</b>	<b>(6,008)</b>

	Particulars	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>C.</b>	<b>Cash Flow form Financing Activities</b>		
	Increase in Lease Liability	(32)	(5)
	Proceeds from Bank Borrowing	6,538	1,500
	Other Borrowing Cost	(400)	(84)
	<b>NET CASH CLOW FROM FINANCING ACTIVITIES</b>	<b>6,106</b>	<b>1,411</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(205)</b>	<b>604</b>
	<b>Effect of Change in Cash or Cash Equivalent held in Foreign Currency due to Exchange Rate Fluctuation</b>		
	<b>Cash and Cash Equivalents at the Beginning of the Year</b>	<b>710</b>	<b>106</b>
	<b>Cash and Cash Equivalents at the End of the Year</b>	<b>505</b>	<b>710</b>
	<b>Components of Cash and Cash Equivalents as at the End of the Year</b>		
	Cash on Hand	2	-
	Cheques on Hand	-	-
	With Bank		
	- In Current Accounts	503	710
	<b>TOTAL</b>	<b>505</b>	<b>710</b>

**Notes:**

- 1 Previous year's figures have been regrouped wherever necessary.
- 2 The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard - 7 on Cash Flow Statement.

The accompanying notes form an integral part of the standalone financial statements.

As per our report of even date attached  
**For Kamlesh Rathod & Associates**

Chartered Accountants  
Firm Reg. No. 117930W

**Trupti Rathod**

Partner  
Membership no. 100684  
Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022  
UDIN: 22100684AMUMQY1863

**For and on behalf of Board of Directos of  
Atul Auto Limited**

<b>J J Chandra</b>	<b>M J Patel</b>
Chairman and Managing Director	Whole time Director & CFO
DIN : 00057722	DIN : 00057735

**Paras J Viramgama**  
Company Secretary

# NOTES TO STANDALONE FINANCIAL STATEMENTS

for the year ended March 31, 2022

## Background

Atul Auto Limited (the company) is a public company domiciled in India and situated at Shapar(Gujarat), incorporated on 18-06-1986. Its shares are listed on two stock exchanges in India - Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company manufactures and sales Auto rickshaws in domestic and overseas market.

The standalone financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on May 27, 2022

## 1 Basis of Preparation

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

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

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

## Summary of Significant Accounting Policies followed by the Company

### 1.1 System of Accounting

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

### Use of Estimates, Judgement & Assumptions

- (ii) Estimates, judgements and assumptions used in the preparation of these financial statements and disclosures made therein are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. The following are items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about basis of calculation for each affected line item in the financial statement.
- (a) Provision for warranty claims
- (b) Valuation of employee benefits
- (c) Provision for tax expenses
- (d) Provision for expected credit loss
- (e) Provision for after sales activities

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

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

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

### 1.2 Revenue Recognition

#### (A) Sales

- (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue is presented exclusive of Goods & Services tax. Post the applicability of GST with effect from 1st July 2017, Sales are required to be disclosed net of GST. The Company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the Company.

(ii)	Domestic sales are accounted for on dispatch from the point of sale corresponding to transfer of significant risks and rewards of ownership to the buyer. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period.
(iii)	Export sales are recognised on the date of the shipped on board signifying transfer of risks and rewards of ownership to the buyer as per terms of sale and initially recorded at the relevant exchange rates prevailing on the date of the transaction.
(iv)	<p><b>Sale of Products:</b></p> <p>The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.</p> <p>Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.</p> <p>The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations. The nature of contracts of the Company are such that no material part performance obligations would remain unfulfilled at the end of any accounting period</p> <p>The Company provides warranties for general repairs of defects as per terms of the contract with ultimate customers. These warranties are considered as assurance type warranties and are accounted for under Ind AS 37- Provisions, Contingent Liabilities and Contingent Assets Refer Note 16.</p> <p>Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the goods, customer has possession and legal title to the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied.</p> <p>The Company, on behalf of its customers (dealers and distributors), dispatch the goods to agreed locations for an agreed fee. The Company has determined that the performance obligation of the Company is to arrange for those goods and services (Company is an agent) to the dealers and hence the amount charged to the customer offset by freight charges paid to the freight service providers is shown as revenue and disclosed as other operating income or other operating expenses, depending upon the results of the offsetting.</p>
<b>(B)</b>	<b>Export Incentives</b>
(i)	Export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim are reasonably expected to be fulfilled.
<b>(C)</b>	<b>Other Income</b>
	The Company recognises income (including rent etc.) on accrual basis. However, where the ultimate collection of the same lacks reasonable certainty, revenue recognition is postponed to the extent of uncertainty.
<b>1.3</b>	<b>Property, Plant and Equipment and Depreciation</b>
(i)	Capital work in process, Property, plant and equipment except land are carried at historical cost of acquisition, construction or manufacturing cost, as the case may be, less accumulated depreciation and impairment thereon if any. Freehold land is carried at cost of acquisition. Cost represents all expenses directly attributable to bringing the asset to its working condition capable of operating in the manner intended.
(ii)	Costs incurred to manufacture property, plant and equipment and intangible are charged to particular property plant & equipment. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
(iii)	Land and buildings acquired/constructed, not intended to be used in the operations of the Company and held for earning long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, are categorised as investment property.
(iv)	Other Expenses incurred relating to project, net of income earned during the project development stage prior to its intended use, are considered as pre-operative expenses and disclosed under Capital Work-in-Progress.
(v)	Assets in the course of construction are capitalised in the assets under construction account. At the point when an asset is operating at management's intended use, the cost of construction is transferred to the appropriate category of property, plant and equipment and depreciation commences. Costs associated with the commissioning of an asset are capitalised where the asset is available for use.
<b>(iv)</b>	<b>Depreciation and Amortisation methods, estimated useful lives and residual value</b>
	<b>On Tangible Assets</b>
(a)	Depreciation is provided on a pro rata basis on the straight line method to allocate the cost, net of residual value over the estimated useful lives of the assets.
(b)	Useful life of assets are determined by the Management by internal technical assessments and such useful life is in conformity with Schedule - II of companies act. Depreciation on additions is being provided on pro rata basis from the month of such additions.

(c)	<p>Depreciation on assets sold, discarded or demolished during the year is being provided up to the month in which such assets are sold, discarded or demolished.</p> <p>The property taken under operating lease is depreciated over the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.</p>
<b>(v)</b>	<p><b>Impairment of Assets</b></p> <p>Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).</p>
<b>1.4</b>	<p><b>Intangible Assets</b></p>
	<p><b>Product Development Cost</b></p> <p>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.</p>
	<p><b>SAP Implementation Charges</b></p> <p>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.</p>
<b>1.5</b>	<p><b>Investment Property</b></p> <p>Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred.</p> <p>Depreciation on investment property is provided on a pro rata basis on straight line method over the estimated useful lives. Useful life of assets, as assessed by the Management, corresponds to those prescribed in Part 'C' Schedule II of companies act.</p>
<b>1.6</b>	<p><b>Investments, Financial Assets and Financial Liability</b></p>
<b>(a)</b>	<p><b>Investment in Associate</b></p> <p>Interest in Associate is recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.</p>
<b>(b)</b>	<p><b>Investment in Subsidiary</b></p> <p>Interest in Subsidiary is recognised at cost and not adjusted to fair value at the end of each reporting period. Cost represents amount paid for acquisition of the said investments. The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.</p>
<b>(c)</b>	<p><b>Step Acquisition as per Ind AS 27</b></p> <p>The company has adopted the accumulated cost approach for step acquisition of subsidiaries. The company accounts for Investments in Associates at historical cost and not adjusted to fair values at end of each reporting period. Further Investments, whenever made in such companies are accounted for at historical cost and is added to the existing cost of Investments.</p>
<b>(c)</b>	<p><b>Other Investments and Financial Assets</b></p>
<b>(i)</b>	<p><b>Classification</b></p> <p>The Company classifies its financial assets in the following measurement categories:</p> <p>Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.</p> <p>The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.</p>
<b>(ii)</b>	<p><b>Measurement</b></p> <p>At initial recognition, the Company measures a financial asset at its fair value.</p> <p><b>Fair value through Profit or Loss:</b> Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss e.g. investments in mutual funds.</p>

<b>(iii)</b>	<p><b>Impairment of Financial Assets</b></p> <p>The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.</p>
<b>(iv)</b>	<p><b>Derecognition of Financial Assets</b></p> <p>A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.</p>
<b>(v)</b>	<p><b>Income Recognition</b></p> <p><b>Dividend</b></p> <p>Company recognises dividend in the statement of profit &amp; loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the company and the amount of the dividend can be measured reliably.</p> <p><b>Interest Income</b></p> <p>Interest income from fixed deposits, corporate guarantee and from dealers deposits are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.</p>
<b>(d)</b>	<p><b>Financial Liability</b></p> <p><b>(i) Classification as Debt or Equity</b></p> <p>Debt and equity instruments issued by the Company are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.</p> <p>An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.</p> <p><b>(ii) Initial Recognition and Measurement</b></p> <p>All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.</p> <p><b>(iii) Subsequent Measurement</b></p> <p>The measurement of financial liabilities depends on their classification, as described below:</p> <p><b>Trade and Other Payable</b></p> <p>These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as current liabilities if payment is due within one year or less otherwise they are presented as non-current liabilities. Trade and payables are subsequently measured at amortised cost using the effective interest rate method.</p> <p><b>Derecognition</b></p> <p>Liability is removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).</p> <p>When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.</p> <p>Liability is classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.</p>
<b>1.7</b>	<p><b>Foreign Currency Transactions</b></p> <p><b>(i)</b> Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian rupee, which is Company's functional and presentation currency.</p> <p><b>(ii)</b> On initial recognition, all foreign currency transactions are recorded at foreign exchange rate on the date of transaction.</p>

(iii)	Monetary items of current assets and liabilities in foreign currency outstanding at the close of financial year are revalued at the appropriate exchange rates prevailing at the close of the year.
(iv)	The gain or loss on decrease/increase in reporting currency due to fluctuations in foreign exchange rates, in case of monetary current assets and liabilities in foreign currency, are recognised in the Statement of Profit and Loss.
<b>1.8</b>	<b>Inventories</b>
	Cost of inventories have been computed to include all costs of purchases (including materials), cost of conversion and other costs incurred, as the case may be, in bringing the inventories to their present location and condition.
(i)	Finished stocks of vehicles are valued at cost of manufacturing or net realisable value whichever is lower.
(ii)	Raw materials, Stores, Packing Materials, tools and components are valued at cost arrived at on simple average basis or net realisable value, whichever is lower, as circumstances demand. However, obsolete and slow moving items are valued at cost or estimated realisable value whichever is lower.
(iii)	Goods in transit are stated at actual cost incurred up to the date of Balance Sheet.
	Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
<b>1.9</b>	<b>Research &amp; Development Expenditure</b>
	Research & Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognized as an expense when it is incurred.
<b>1.10</b>	<b>Taxation</b>
	Provision for tax is made for the current accounting period (reporting period) on the basis of the taxable profits computed in accordance with the Income-tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.
	Deferred taxes are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences.
	Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.
<b>1.11</b>	<b>Provisions and Contingent Liabilities</b>
	The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation such as product warranty costs. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.
<b>1.12</b>	<b>Operating lease including on Investment Properties</b>
	<b>As a Lessor</b>
	The company has leased out its assets and such leases where the company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the statement of profit & loss on a straight line basis over the lease term in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the statement of profit & loss in the period in which they are incurred. Under operating lease, the asset is capitalised within property plant & equipment and depreciated over its useful economic life. Therefore, Ind AS 116 does not have an impact for leases where the company is the lessor.
	<b>As a Lessee</b>
	Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease. The Company's lease asset primarily consists of Building. The company assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
	(i) the contract involves the use of an identified asset
	(ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and
	(iii) the Company has the right to direct the use of the asset.
	At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases), and lease contract for which the underlying asset is of low value (low-value assets). For these short-term, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial measurement of the lease liability adjusted plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate of cost of capital. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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

### **Transition**

Effective from April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental cost of capital and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental cost of capital at the date of initial application. Comparatives as at and for the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies included as part of our Annual Report for year ended March 31, 2019. On transition, the adoption of the new standard resulted in recognition of 'Right of Use' asset of 112 lakhs, and a lease liability of 112 lakhs. The effect of this adoption is not significant on the profit before tax, profit for the period and earnings per share. Ind AS 116 has resulted in an increase in cash inflows from operating activities and an increase in cash outflows from financing activities on account of lease payments. Lease liability and ROU asset have been separately presented in the Balance Sheet.

### **1.13 Government Grants**

Grants and subsidies from the government are recognized when there is reasonable assurance that

- (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

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

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

### **1.14 Dividends**

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

### **1.15 Cash and Cash Equivalents**

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

### **1.16 Employee benefits**

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

#### **(i) Gratuity**

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

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

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

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

- (ii) Provident fund contributions are made to Company's Provident Fund. The contributions are accounted for as defined benefit plans and the contributions are recognised as employee benefit expense when they are due.

(iii)	Defined contribution to superannuation fund is being made as per the scheme of the Company and recognised as expense as and when due.
<b>1.17</b>	<b>Earnings per Share</b>
	Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.
<b>1.18</b>	<b>Segment Reporting</b>
	The company is engaged mainly in the business of automobile products. These, in the context of Indian Accounting Standard 108 on Operating Segment, as specified in the Companies (Indian Accounting Standards) Rules, 2015, are considered to constitute one single primary segment. Operating segments are reported in a manner consistent with the internal reporting provided to the Core Management Committee which includes the Managing Director who is the Chief Operating Decision Maker.
<b>1.19</b>	<b>Recent Pronouncements</b>
	The Ministry of Corporate Affairs has vide notification dated 23rd March 2022 notified Companies (Indian Accounting Standards) Amendment Rules, 2022 which amends certain accounting standards, and are effective 1st April 2022. Below is a summary of such relevant amendments and requirements. No significant impact is expected on adoption of these amendments.
<b>i)</b>	<b>Ind AS 16, Property, Plant and Equipment (PPE):</b>
	The amendment clarified that an entity shall deduct from the cost of an item of PPE any proceeds received from selling items produced while the entity is preparing the asset for its intended use.
<b>ii)</b>	<b>Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets:</b>
	Onerous Contracts - Cost of fulfilling a contract: The amendment explains that the cost of fulfilling a contract comprises the incremental costs and an allocation of other costs that relate directly to fulfilling contracts.
<b>iii)</b>	<b>Ind AS 109 Financial Instruments:</b>
	Ind AS 109 Financial Instruments: The amendment clarifies any cost or fees that an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a Financial Liability.

## Note - 2 Property, Plant and Equipment

### Current Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at 01-Apr-21	Additions	Deductions/-Adjustments	As at 31-Mar-22	As at 01-Apr-21	Additions	Deductions/-Adjustments	As at 31-Mar-22	As at 31-Mar-22
Freehold Land	4,213	-	166	4,047	-	-	-	-	4,047
Buildings	1,993	6,785	89	8,689	825	189	-	1,014	7,675
Plant & Machinery (Including Electric Fitting)	7,784	4,077	-	11,861	4,695	575	-	5,270	6,591
Furniture & Fittings	239	768	-	1,007	151	39	-	190	817
Computers	312	48	-	360	286	22	-	308	52
Office Equipment	147	68	-	215	138	11	-	149	66
Vehicles	533	21	20	534	252	53	8	297	237
<b>TOTAL</b>	<b>15,221</b>	<b>11,767</b>	<b>275</b>	<b>26,713</b>	<b>6,347</b>	<b>889</b>	<b>8</b>	<b>7,228</b>	<b>19,485</b>
<b>Leasehold Assets (Right-of-Use Assets)</b>	<b>153</b>	<b>23</b>	<b>36</b>	<b>140</b>	<b>90</b>	<b>28</b>	<b>13</b>	<b>105</b>	<b>35</b>
<b>Capital Work in Progress</b>	<b>14,850</b>	<b>1,113</b>	<b>11,689</b>	<b>4,274</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,274</b>

### Ageing of CWIP

#### (i) For CWIP Ageing Schedule

(₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress FY22	194	568	2,350	1,162	4,274
Projects temporarily Suspended	-	-	-	-	-

#### (ii) For CWIP whose Completion is Overdue

(₹ in Lacs)

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress FY22	4,274	-	-	-	4,274
Projects temporarily Suspended	-	-	-	-	-

#### (iii) Project Completion Exceeded Cost : None

### Previous Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at 01-Apr-20	Additions	Deductions/-Adjustments	As at 31-Mar-21	As at 01-Apr-20	Additions	Deductions/-Adjustments	As at 31-Mar-21	As at 31-Mar-21
Freehold Land	4,211	2	-	4,213	-	-	-	-	4,213
Buildings	2,043	-	50	1,993	763	69	7	825	1,168
Plant & Machinery (Including Electric Fitting)	7,490	308	14	7,784	4,246	453	4	4,695	3,089
Furniture & Fittings	239	-	-	239	151	-	-	151	88
Computers	308	4	-	312	263	23	-	286	26
Office Equipment	146	1	-	147	133	5	-	138	9
Vehicles	526	7	-	533	198	54	-	252	281
<b>TOTAL</b>	<b>14,963</b>	<b>322</b>	<b>64</b>	<b>15,221</b>	<b>5,754</b>	<b>604</b>	<b>11</b>	<b>6,347</b>	<b>8,874</b>
<b>Leasehold Assets (Right-of-Use Assets)</b>	<b>112</b>	<b>45</b>	<b>4</b>	<b>153</b>	<b>43</b>	<b>50</b>	<b>3</b>	<b>90</b>	<b>63</b>
<b>Capital Work in Progress</b>	<b>11,659</b>	<b>3,513</b>	<b>322</b>	<b>14,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,850</b>

**(i) For CWIP Ageing Schedule**

(₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress FY21	3,457	7,752	3,149	492	14,850
Projects temporarily Suspended	-	-	-	-	-

**(ii & iii) Project Completion Overdue or Exceeded Compared to Original Plan : None****Note:**

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

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

**Note on Title Deed of Immovable properties not held in the name of Company**

Description	Gross Carrying Value (Rs in Lacs)	Held in Name of	Relationship with person in whose name Held	Period Held	Reasons for not being held in name of company	Treatment in Books
Right to use Road	30	Jayantilal Jagjivandas Chandra	Chairman and Managing Director	5 Years	It is an agriculture land.	Capitalized under Head 'Land'

**Note - 3 Intangible Assets****Current Year**

(₹ in Lacs)

Particulars	Gross Block			Depreciation/Impairment*				Net Block	
	As at 01-Apr-21	Additions	Deductions/-Adjustments	As at 31-Mar-22	As at 01-Apr-21	Additions	Deductions/-Adjustments	As at 31-Mar-22	As at 31-Mar-22
Product Development	195	-	-	195	195	-	-	195	-
Computer Software	165	21	-	186	127	10	-	137	49
<b>TOTAL</b>	<b>360</b>	<b>21</b>	<b>-</b>	<b>381</b>	<b>322</b>	<b>10</b>	<b>-</b>	<b>332</b>	<b>49</b>

**Previous Year**

(₹ in Lacs)

Particulars	Gross Block			Depreciation/Impairment*				Net Block	
	As at 01-Apr-20	Additions	Deductions/-Adjustments	As at 31-Mar-21	As at 01-Apr-20	Additions	Deductions/-Adjustments	As at 31-Mar-21	As at 31-Mar-21
Product Development	195	-	-	195	195	-	-	195	-
Computer Software	127	38	-	165	127	-	-	127	38
<b>TOTAL</b>	<b>322</b>	<b>38</b>	<b>-</b>	<b>360</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>322</b>	<b>38</b>

## Note - 4 Investment Property

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
<b>Gross Carrying Amount</b>		
Opening Balance	50	50
Addition		
Transfer from Property Plant & Equipment	254	-
Transfer to Property Plant & Equipment	-	-
<b>Closing balance</b>	<b>304</b>	<b>50</b>
Accumulated Depreciation		
Opening Balance	22	19
Addition	6	3
Transfer to Property Plant & Equipment	-	-
<b>Closing balance</b>	<b>28</b>	<b>22</b>
<b>Net Carrying Amount</b>	<b>276</b>	<b>28</b>

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

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Rental Income	19	5
Direct operating expenses from property that generated rental income	-	-
Profit from Investment property before depreciation	19	5
Depreciation	6	3
<b>Profit from Investment property</b>	<b>13</b>	<b>2</b>

### (ii) Contractual Obligations

There are no contractual obligation to construct or develop investment property.

### (iii) Leasing Arrangements

Investment properties are leased out to tenants under operating leases. Disclosure on future rent receivable is included in Note No. -37.

### (iv) Fair Value

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Investment property	345	91

### (v) Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties leased out by the Company are cancellable, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence, fair value

is ascertained on the basis of market rates prevailing for similar properties in those location determined by the valuer vide report dated 27th June, 2017 and consequently classified as a level 2 valuation. For Bhayla (Ahmedabd) Properties the Purchase Value or the value as capitalized in the books of account has been considered as Fair Value.

## Note - 5 Investments

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
<b>Non-Current Investment</b>		
<b>(a) Investment in Wholly Owned Subsidiary</b>		
<b>Investment carried at cost</b>		
<b>Unquoted :</b>		
Extent of holding	100%	0%
No. of Shares owned	39,400,000	-
Investment in Khushbu Auto Finance Limited	5,778	-
Investment carried at cost		
<b>Unquoted :</b>		
Extent of holding	100%	100%
No. of Shares owned	450,000	450,000
Investment in Atul Green Automotive Private Limited	45	45
Investment carried at cost		
<b>Unquoted :</b>		
Extent of holding	100%	100%
No. of Shares owned	9,999,900	5,000,000
Investment in Atul Greentech Private Limited	1,000	500
<b>Total (a)</b>	<b>6,823</b>	<b>545</b>

Atul Auto Limited has acquired balance 70% of stake in Khushbu Auto Finance Limited (Holding 30% Stake in Previous Year) resulting into the later company becoming wholly owned subsidiary from associate w.e.f. 01 September, 2022.

	(₹ in Lacs)	
<b>(b) Investment in Associate</b>		
Investment carried at cost		
<b>Unquoted :</b>		
Extent of holding		30%
No. of Shares owned	-	11,820,000
Investment in Khushbu Auto Finance Limited	-	1,321
<b>Total (b)</b>	<b>-</b>	<b>1,321</b>
<b>Total Non - Current Investment (a+b)</b>	<b>6,823</b>	<b>1,866</b>

### Current Investment

	(₹ in Lacs)	
<b>(c) Investment in Mutual Fund</b>		
Investment carried at fair value through Profit & Loss		
<b>Quoted :</b>		
Aditya Birla Sun Life Overnight Fund [Growth]	-	330
(Units: PY 29,660.34, CY - Nil)		
Tata Overnight Fund [Growth]	-	290
(Units: PY - 26715.09, CY - Nil)		

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Sbi Overnight Fund [Growth] (Units: PY - 3878.741, CY - Nil)	-	130
Kotak Overnight Fund [Growth] (Units: PY - 9108.504, CY - Nil)	-	100
Dsp Overnight Fund [Growth] (Units: PY - 18149.135, CY - Nil)	-	200
<b>Total (c)</b>	-	<b>1,050</b>
<b>Total Current Investment</b>	-	<b>1,050</b>
<b>Total Investment</b>	<b>6,823</b>	<b>2,916</b>

(₹ in Lacs)

Particulars	Book Value		Market Value	
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21
Quoted	-	1,050	-	1,050
Unquoted	6,823	1,866	NA	NA

**Notes to Investments**

- (i) Investment made by the company other than those with a maturity of less than one year are intended to be held for short term. On an assessment of the expected credit loss due to significant changes in the risk profile, no material provisions are required to be made.
- (ii) Refer Note-1 for accounting policy and valuation principles for investments and Note-44 for credit risk management related to investments.

**Note - 6 Income Tax Asset (Net)**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Income Tax Asset (Net)	241	194
<b>Total Income Tax Asset (Net)</b>	<b>241</b>	<b>194</b>

**Note - 7 Other Financial Assets**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Other Income Receivables	36	19
<b>Total Other Financial Assets</b>	<b>36</b>	<b>19</b>

**Note - 8 Other Assets**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Other Non - Current Assets</b>		
Security Deposit	124	127
Advances to Suppliers for Capital Goods	755	1,076
Balance with Govt. authorities	4	4
<b>Total Other Non - Current Assets (A)</b>	<b>883</b>	<b>1,207</b>
<b>Other Current Assets</b>		
Advances to Supplier for Goods & Services	185	269
Prepaid Expenses	23	46
Balances with Government Authorities	451	236
Other Receivables	54	47
<b>Total Other Current Assets (B)</b>	<b>713</b>	<b>598</b>
<b>Total Other Assets (A+B)</b>	<b>1,596</b>	<b>1,805</b>

Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which a director is a partner or a director or a member

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

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
Raw Material (including Goods in Transit Rs. Nil, PY Rs. Nil)	3,194	3,863
Consumables (including Goods in Transit Rs. Nil, PY Rs. Nil)	904	657
Work-in-Process	64	30
Finished Goods (including Goods in Transit Rs. 142 lacs, PY Rs. 29 lacs)	797	549
Stock of Traded Goods	18	13
<b>Total Inventories</b>	<b>4,977</b>	<b>5,112</b>

The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

## Note - 10 Trade Receivables

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
<b>Non-Current</b>		
Significant Increase in Credit Risk	716	606
Less: Provision for Expected Credit Loss	(563)	(458)
	<b>153</b>	<b>148</b>
Unsecured, Considered Good	1,637	2,292
Unbilled Revenue	443	94
Less: Provision for Expected Credit Loss	(4)	(66)
	<b>2,076</b>	<b>2,320</b>
<b>Total Trade Receivables</b>	<b>2,229</b>	<b>2,468</b>
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member	18	7

### 10.1 The age wise analysis of the Trade Receivable as per Sub Ledger is given below:

Particulars	31-Mar-22					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months- 1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables-considered good	1,577	33	10	11	2	1,633
(ii) Undisputed Trade Receivables-significant increase in credit risk	-	-	2	14	137	153
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
(vii) Unbilled Dues	-	-	-	-	-	443

(₹ in Lacs)

Particulars	31-Mar-21					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables-considered good	1,594	19	568	33	12	2,226
(ii) Undisputed Trade Receivables-significant increase in credit risk	2	1	16	88	41	148
(iii) Undisputed Trade Receivables-credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables-considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables-credit impaired	-	-	-	-	-	-
(vii) Unbilled Dues	-	-	-	-	-	94

## Note - 11 Cash & Cash Equivalent

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Cash on Hand	2	-
<b>Balances with Bank</b>		
In Current Accounts	503	710
Cheques on Hand	-	-
<b>Total Cash &amp; cash Equivalent</b>	<b>505</b>	<b>710</b>

## Note - 12 Other Bank Balances

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Unpaid Dividend Bank Balances	21	28
Deposits with residual maturity for less than 12 months	10	110
<b>Total Other Bank Balances</b>	<b>31</b>	<b>138</b>

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

## Note - 13 Loans

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Unsecured, considered Good</b>		
Loan to Staff	5	7
Inter-Corporate Deposit	550	850
<b>Total Current Loans</b>	<b>555</b>	<b>857</b>

**Following Loans has been given on Demand by the company which has no repayment terms.**

(₹ in Lacs)

Party to which loan is granted	Relation with Party to which the Loan is granted	31-Mar-22		31-Mar-21	
		Aggregate Amount of Loan Outstanding	Percentage(%) to Total Loans Granted	Aggregate Amount of Loan Outstanding	Percentage(%) to Total Loans Granted
Atul Greentech Private Limited	Subsidiary	550	99	850	99
Staff Advances	Employees	5	1	7	1

## Note -14 Share Capital

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>(a) Authorised Shares</b>		
Equity Shares of ₹ 5 each		
No of Share	30,000,000	30,000,000
Amount (₹)	1,500	1,500
<b>Issued &amp; Subscribed Shares</b>		
Equity Shares of ₹ 5 each		
No of Share	23,224,600	23,224,600
Amount (₹)	1,161	1,161
<b>Paid up Shares</b>		
Equity Shares of ₹ 5 each		
No of Share	21,943,200	21,943,200
Amount (₹)	1,097	1,097
<b>Total Share Capital</b>	<b>1,097</b>	<b>1,097</b>

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

(₹ in Lacs)

Particulars	31-Mar-22		31-Mar-21	
	No.	Amount ₹	No.	Amount ₹
At the beginning of the period	21,943,200	1,097	21,943,200	1,097
Outstanding at the end of the period	21,943,200	1,097	21,943,200	1,097

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

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

In the event of liquidation of the company, the holders of equity shares will be entitled

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

### (d) Details of shareholders

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of total holding	No. of Shares	% of total holding
	Equity Share of ₹ 5 each		Equity Share of ₹ 5 each	
<b>Part - A - Promotor Group</b>				
Maheshbhai Jagjivandas Chandra	1,969,242	8.97%	1,969,242	8.97%
Jayantibhai Jagjivandas Chandra	1,351,742	6.16%	1,351,742	6.16%
Dharmendrabhai Jagjivandas Chandra	1,267,326	5.78%	1,267,326	5.78%
Harishbhai Jagjivandas Chandra	1,164,786	5.31%	1,164,786	5.31%
Bharat Jagjivandas Chandra	975,906	4.45%	975,906	4.45%
Manishaben Atulkumar Chandra	932,220	4.25%	932,220	4.25%
Ramaben Jamnadas Patel	315,488	1.44%	315,488	1.44%
Mahendrakumar Jamnadas Patel	277,848	1.27%	277,848	1.27%
Prafullaben Jayantibhai Chandra	269,686	1.23%	269,686	1.23%
Rekhaben Maheshbhai Chandra	255,300	1.16%	255,300	1.16%
Ushaben Dharmendrabhai Chandra	244,274	1.11%	244,274	1.11%
Vasantraai Kurjibhai Patel	228,000	1.04%	228,000	1.04%
Chetankumar Vasantraai Patel	220,536	1.01%	220,536	1.01%
Harshaben Harishbhai Chandra	211,800	0.97%	211,800	0.97%
Krunal J. Chandra	202,650	0.92%	202,650	0.92%
Manjulaben Vasantraai Patel	191,304	0.87%	191,304	0.87%
Ramaben Dayalal Patel	161,504	0.74%	161,504	0.74%
Hetal Alpesh Chandra	153,720	0.70%	153,720	0.70%
Alpesh Bharatbhai Chandra	146,160	0.67%	146,160	0.67%
Kapilaben Bharatbhai Chandra	141,504	0.64%	141,504	0.64%

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of total holding	No. of Shares	% of total holding
	Equity Share of ₹ 5 each		Equity Share of ₹ 5 each	
Hiren Vasantrai Patel	138,960	0.63%	138,960	0.63%
Ashokkumar Jamnadas Patel	136,944	0.62%	136,944	0.62%
Anita Nirajbhai Chandra	131,000	0.60%	131,000	0.60%
Krishnaben Chetankumar Patel	127,368	0.58%	127,368	0.58%
Manishaben Mahendrakumar Patel	121,712	0.55%	121,712	0.55%
Minaben Ashokkumar Patel	121,712	0.55%	121,712	0.55%
Niraj Jayantibhai Chandra	105,118	0.48%	105,118	0.48%
<b>Part - B - Other Shareholders</b>				
HDFC Small Cap	-	0.00%	1,216,635	5.54%

As per records of the company, including its register of shareholders/members and other declaration received from

shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

## Note - 15 Other Equity

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
(a) Capital Reserves	30	30
(b) Share Premium Account	478	478
(c) General Reserve	2,094	2,094
(d) Share Forfeiture	23	23
(e) Retained Earning		
Balance at the beginning of the year	25,601	26,603
Profit / (Loss) for the year	(2,487)	(1,020)
Actuarial Gain/loss on defined benefit plans	43	18
Balance in Retained Earning	23,157	25,601
Total Other Equity	25,782	28,226

## Note -16 Provisions

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
<b>Non - Current Provisions</b>		
Warranty Claim	78	27
<b>Total Non - Current Provisions (A)</b>	<b>78</b>	<b>27</b>
<b>Current Provision</b>		
<b>Provision for Employee Benefits</b>		
Gratuity	32	91
<b>Sub-Total (a)</b>	<b>32</b>	<b>91</b>
<b>Other Provisions</b>		
Provision for After Sales Activities	74	81
Provision for Warranty Claims	112	65
Provision for Expected Credit Loss on Risk Sharing Arrangement	157	178
<b>Sub-Total (b)</b>	<b>343</b>	<b>324</b>
<b>Total Current Provisions (B)</b>	<b>375</b>	<b>415</b>
<b>Total Provisions (A+B)</b>	<b>453</b>	<b>442</b>

### Provision for After Sales Activities

The estimated liability for after sales activities are recorded when products are sold. The estimate of such after sales

activities related costs is revised annually.

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
At the beginning of the year	81	153
Arising during the year	77	70
Utilised during the year	84	142
At the end of the year	74	81

### Provision for Warranties

Provision is made for estimated warranty claims in respect of product sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the

next financial year. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
At the beginning of the year	92	166
Arising during the year	388	60
Utilised during the year	290	134
At the end of the year	190	92

### Provision for Expected Credit Loss on Risk Sharing Arrangement

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

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

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>At the beginning of the year</b>		
Delinquency Fund	-	83
Additional Provision	178	48
<b>During the year</b>		
Delinquency Fund	-	29
Additional Provision	850	278
<b>Utilised during the year</b>		
Delinquency Fund	-	112
Additional Provision	871	148
<b>At the end of the year</b>		
Delinquency Fund	-	-
Additional Provision	157	178

## Note - 17 Deferred Tax Liabilities

### (i) Statement of Deferred Tax Liabilities

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
<b>Deferred tax liabilities</b>		
On account of timing difference in		
Property, Plant and Equipment	604	412
<b>Gross Deferred Tax Liabilities</b>	<b>604</b>	<b>412</b>
<b>Deferred tax assets</b>		
On account of timing difference in		
Impairment of Property, Plant and Equipment	6	6
Lease Liability	9	17
Retiral and other benefits	8	23
Provision for bad/doubtful debts	143	132
Current year loss & unabsorbed depreciation	1,218	196
<b>Gross Deferred Tax Assets</b>	<b>1,384</b>	<b>374</b>
<b>Deferred Tax Liabilities</b>	<b>(780)</b>	<b>38</b>

### (ii) Movement in Deferred Tax Liabilities

	(₹ in Lacs)			
Particulars	Property, Plant & Equipment	Retiral and Other Benefits	Other Items	Total
<b>At April 01, 2021</b>	<b>412</b>	<b>(23)</b>	<b>(351)</b>	<b>38</b>
Charged	-	-	-	-
to Profit & Loss	192	29	(1,025)	(804)
to Current year loss & Depreciation	-	-	-	-
to Other Comprehensive Income	-	(14)	-	(14)
<b>At March 31, 2022</b>	<b>604</b>	<b>(8)</b>	<b>(1,376)</b>	<b>(780)</b>
	-	-	-	-
<b>At April 01, 2020</b>	<b>436</b>	<b>(30)</b>	<b>(90)</b>	<b>316</b>
Charged	-	-	-	-
to Profit & Loss	(24)	13	(261)	(272)
to Current year loss & Depreciation	-	-	-	-
to Other Comprehensive Income	-	(6)	-	(6)
<b>At March 31, 2021</b>	<b>412</b>	<b>(23)</b>	<b>(351)</b>	<b>38</b>

## Note - 18 Borrowings

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
<b>Long Term</b>		
EXIM - Term Loan	6,429	1,500
<b>Total Long Term</b>	<b>6,429</b>	<b>1,500</b>
<b>Short Term</b>		
EXIM - Term Loan	1071	
FCNR (B) Loan - IDBI Bank	538	
<b>Total Short Term</b>	<b>1,609</b>	-
<b>Total Borrowings</b>	<b>8,038</b>	<b>1,500</b>

### Terms & Conditions of Term Loan

- The company has part financed its Greenfield project at Bhayla Ahmedabad by way of sanction of Term Loan from EXIM Bank. The said loan is a Reimbursement basis Term Loan i.e, the company had to first spend its own funds on the project out of which 31 % will be reimbursed by the Bank on capitalisation of the project.
- Term Loan is secured by First Charge on the entire movable and immovable fixed assets of AAL at plant at Bhayla, Ahmedabad, both present & future, Second pari passu charge on entire current assets of AAL, both present & future and personal guarantee of Chairman and Managing Director and Whole Time Director of the company.
- Rate of Interest is 7.75% p.a.
- It is repayable in 21 Equal Quarterly Installment commencing after 12 months from the scheduled date of commencement date of capitalisation which is September 27, 2021

### Terms & Conditions of FCNR Loan

- The loan is availed in US\$ 7 Lacs with conversion value of ₹76.88 as sub limit of Cash Credit
- The loan is repayable after a period of 88 days in US\$ 7 Lacs with hedged conversion price of ₹77.90/US\$
- Rate of Interest is LIBOR+1.40% p.a. & effective rate of Interest is 6.90% for the loan period

## Note - 19 Trade Payables

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
(i) Total outstanding dues of micro enterprises and small enterprises	1,536	1,546
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	2,582	3,104
<b>Total Trade Payables</b>	<b>4,118</b>	<b>4,650</b>

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors

Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
(i) (a) Principal amount remaining unpaid to any supplier	1,536	1,546
(b) Interest on (i) (a) above	-	-
(ii) The amount of interest paid along with the principal payment made to the supplier	-	-
(iii) Amount of interest due and payable on delayed payments	-	-
(iv) Amount of further interest remaining due and payable for the earlier years	-	-
(v) Total outstanding dues of Micro and Small Enterprises		
(a) Principal	1,536	1,546
(b) Interest	-	-

The age wise analysis of the Trade Payables as per Sub Ledger is given below:-

(₹ in Lacs)

Particulars	For the year ended on 31/03/2022				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
(i) MSME	1,536	-	-	-	1,536
(ii) Others	2,570	3	6	3	2,582
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-

(₹ in Lacs)

Particulars	For the year ended on 31/03/2021				Total
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 years	More than 3 Years	
(i) MSME	1,546	-	-	-	1,546
(ii) Others	3,098	3	1	2	3,104
(iii) Disputed Dues- MSME	-	-	-	-	-
(iv) Disputed Dues- Others	-	-	-	-	-

## Note - 20 Lease Liabilities

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Non-current Lease Liability	21	41
Current Lease Liability	16	28
<b>Total Lease Liability</b>	<b>37</b>	<b>69</b>

## Note - 21 Other Financial Liabilities

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Unpaid Dividends*	21	28
*Investor Education and Protection Fund will be credited by amount (as and when due)		
Expenses Payable	888	803
Dealer's Deposit	559	547
Payable for Capital Goods	21	158
<b>Total Other Financial Liabilities</b>	<b>1,489</b>	<b>1,536</b>
(i) Total outstanding dues of micro enterprises and small enterprises	9	31
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	12	127

## Note - 22 Other Current Liabilities & Tax Liabilities

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Advances from Dealers	610	457
Statutory Dues	92	24
Others	105	33
<b>Total Other Current Liabilities</b>	<b>807</b>	<b>514</b>
Current Tax Liability	71	-
<b>Total Current Tax Liabilities</b>	<b>71</b>	<b>-</b>

## Note - 23 Revenue From Operations

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Sales of Vehicles</b>	<b>25,503</b>	<b>26,643</b>
Domestic	23,412	25,504
Export (Including Merchant Export)	2,091	1,139
<b>Sales of Spares</b>	<b>3,131</b>	<b>2,384</b>
Domestic	2,660	2,190
Export (Including Merchant Export)	471	194
<b>Total Revenue from Sale of Products (A)</b>	<b>28,634</b>	<b>29,027</b>

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Other Operating Revenue</b>		
Export Incentive	79	44
Payout Income	-	55
Freight Income	56	49
Royalty Income	238	336
Technical Service Income	32	9
Jobwork Income	291	46
Scrap Sale	14	8
Other Income	38	16
<b>Total Other Operating Revenue (B)</b>	<b>748</b>	<b>563</b>
<b>Total Revenue From Operations (A+B)</b>	<b>29,382</b>	<b>29,590</b>

(₹ in Lacs)

Particulars		31-Mar-22	31-Mar-21
<b>Details of Product Sold under Broad Category - Domestic</b>			
Cargo	Amount	11,695	13,840
	Nos.	6,399	8,044
Passenger	Amount	9,986	10,816
	Nos.	6,269	6,487
E-Rickshaw	Amount	1,731	848
	Nos.	1,702	818
Spares		2,660	2,190
<b>Total Value of Domestic Sales</b>		<b>26,072</b>	<b>27,694</b>
<b>Details of Product Sold under Broad Category - Export (Including Merchant Export)</b>			
Cargo	Amount	293	114
	Nos.	224	79
Passenger	Amount	1,798	1,025
	Nos.	1,467	867
E-Rickshaw	Amount	-	-
	Nos.	-	-
Spares		471	194
<b>Total Value of Export Sales</b>		<b>2,562</b>	<b>1,333</b>

## Note - 24 Other Income

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Gain on Sale /Revaluation of Mutual Fund	31	43
Interest on Bank Fixed Deposit	1	6
Insurance Claim Income	1	12
Interest on dealer outstanding	52	11
Interest on PGVCL Deposit	3	1
Interest Income on ICD	67	26
Corporate Guarantee Fee	64	75
Profit on Sale of Fixed Assets	1	7
Rent	19	5
<b>Total Other Income</b>	<b>239</b>	<b>186</b>

Refer Note No. 41 for transaction with related parties

## Note - 25 Cost of Material Consumed

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Consumption of Materials	23,910	23,896
Consumables	46	37
Direct Expenses (Purchase Expenses)	371	338
<b>Total Cost of Material Consumed</b>	<b>24,327</b>	<b>24,271</b>

## Note - 26 Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Work in Progress</b>		
Opening Stock	29	18
Closing Stock	64	29
	<b>(35)</b>	<b>(11)</b>
<b>Finished Goods</b>		
Opening Stock	550	204
Closing Stock	798	550
	<b>(248)</b>	<b>(346)</b>
<b>Stock in Trade</b>		
Opening Stock	13	18
Closing Stock	18	13
	<b>(5)</b>	<b>5</b>
<b>Total Changes in Inventories</b>	<b>(288)</b>	<b>(352)</b>

## Note - 27 Employee Benefit Expenses

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Salary, Wages & Bonus	3,237	3,098
Directors Remuneration	226	194
Contribution to Provident Fund and Gratuity (Note - 40)	292	273
Staff Welfare Expenses	211	208
<b>Total Employee Benefit Expenses</b>	<b>3,966</b>	<b>3,773</b>

## Note - 28 Finance Cost

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Interest on Dealer Deposits	17	18
Interest on Income Tax	-	4
Interest on Bank Borrowings	349	36
Interest on Lease Liability	1	7
Other Borrowing Cost	-	-
Loan Processing Fees & Expenses	24	5
Bank Charges	9	18
<b>Total Finance Cost</b>	<b>400</b>	<b>88</b>

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
<b>Interest on Bank Borrowings</b>		
Total Interest On Term Loan	395	113
Less : Interest Capitalized	120	78
Balance Interest on Term Loan (Revenue)	275	35
Add : Interest on Working Capital	74	1
<b>Interest on Bank Borrowings</b>	<b>349</b>	<b>36</b>

## Note - 29 Depreciation & Amortization

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Depreciation on Property, Plant and Equipment	889	604
Amortisation of Intangible Asset	10	-
Depreciation of Right to use Asset	28	49
Depreciation on investment property	6	3
<b>Total Depreciation &amp; Amortization</b>	<b>933</b>	<b>656</b>

## Note - 30 Product Development Expenses

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Product Development Expense	95	186
<b>Total Product Development Expenses</b>	<b>95</b>	<b>186</b>

## Note - 31 Other Expenses

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Advertising & Sales Promotion	1,066	526
Freight & Forwarding Expense	587	352
Expected Credit Loss	43	260
Travelling & Conveyance	221	203
CSR expenditure	90	144
Power & Fuel	191	139
Repairs to Others	116	126
Testing Expenses	135	125
Legal & consultancy Charges	107	107
Warranty & After Sales Services	462	105
Other miscellaneous expenses	125	91
Office Admin Expenses	60	65

Particulars	31-Mar-22	31-Mar-21
Repairs to Machinery	55	63
Foreign Exchange Rate Difference	22	29
Insurance	31	29
Rates and taxes	14	27
Communication Cost	18	19
Printing & Stationary	13	16
Rent	32	13
Windmill Operation Charges	12	11
Repairs to Buildings	24	10
Director's Sitting Fees	6	8
Payment to Auditor	6	6
Loss on Sales of Assets	-	-
Donation	1	-
<b>Total Other Expenses</b>	<b>3,437</b>	<b>2,474</b>
<b>Payment to Auditor includes</b>		
For Audit Fee	5	5
For Limited Review	1	1
Reimbursement expense	-	-
<b>Total Payment to Auditor</b>	<b>6</b>	<b>6</b>

## Note - 32 Tax Expenses

Particulars	31-Mar-22	31-Mar-21
Current tax on profits for the year	-	-
Adjustment for current tax of prior periods	71	(16)
	<b>71</b>	<b>(16)</b>
Deferred Tax	(833)	(284)
<b>Total Tax Expenses</b>	<b>(762)</b>	<b>(300)</b>
<b>Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate</b>		
Profit /(Loss) Before Tax	(3,249)	(1,319)
Tax at the Indian tax of 25.168%	(818)	(332)
<b>Tax effect of amount which are not deductible (taxable) in calculating taxable income :</b>		
Donation expense which is not allowable	23	36
Interest on Income tax	-	1
Rent Expense as per Ind AS 116	-	2
<b>Tax effect of amount which are deductible (non- taxable) in calculating taxable income :</b>		
Deduction for wages paid to additional employees	-	-
Other Deductions	33	(8)
Adjustment for current tax of prior period	-	1
Reduction in Deferred Tax due to change in tax rate	-	-
	<b>(762)</b>	<b>(300)</b>

## Note - 33 Earning Per Share

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
Net profit /(loss) as per statement of Profit & Loss	(2,487)	(1,020)
Weighted average number of shares outstanding during the year (Nos)	21,943,200	21,943,200
Earning per share (Basic & Diluted)	(11.33)	(4.65)
Face Value per Share ₹	5	5

## Note - 34 Contingent Liabilities not acknowledged as Debt

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
<b>A. Disputed Liabilities*</b>		
Sales Tax	27	27
Excise Duty	1	1
Income Tax	50	108
Case Pending before Consumer Forum	52	50
Case filed for Infringement of copyright where company is one of the defendant	200	-
<b>B. Financial Guarantees</b>		
Financial Gaurantees in respect of loan given by finance company to end user - Amount outstanding	6,215	9,409
Financial Gaurantees in respect of loan given by Banks to Subsidiary company - Amount outstanding Amount of Guarantee is ₹13,000 lacs (₹11,500 lacs. in F.Y. 2020-21) for Khushbu Auto Finance Limited (Subsidiary w.e.f. 01.9.2021)	4,797	7,022
Amount of Guarantee is ₹2,000 lacs (₹ - in F.Y. 2020-21) for Atul Greentech Private Limited	1,653	-
*(Show-cause notices received from various Government Agencies & pending formal demand notices have not been considered as contingent liabilities.)		
<b>Total Contingent Liabilities</b>	<b>12,995</b>	<b>16,617</b>

## Note - 35 Estimated Amount of Contracts Remaining to be Executed on Capital Accounts and Not Provided

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
For Purchase of Assets	584	560
For Purchase of shares of Khushbu Auto Finance Limited	-	4,457
<b>Total</b>	<b>584</b>	<b>5,017</b>

## Note - 36 Corporate Social Responsibility Expenditures

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
Amount required to be spent by the company during the year,	90	145
Amount of expenditure incurred,	91	146
Shortfall at the end of the year,	-	-
Total of previous years shortfall,	-	-
Reason for shortfall,	NA	NA
Nature of CSR activities	As below	As below
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Atul Chandra Charitable Trust	-

Particulars	31-Mar-22	31-Mar-21
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	NA	NA
<b>Nature of CSR activities</b>		
Contribution to trusts/associations for education	46	137
Contribution to trusts/associations for national heritage and culture	2	-
Contribution to trusts/associations for promoting cleanliness	-	-
Contribution to trusts/associations for Disaster Management	4	5
Contribution to trusts/associations for promoting healthcare	2	2
Contribution to trusts/associations for Women Empowerment	15	-
Contribution to trusts/associations for Eradicating hunger, poverty	21	-
<b>CSR Expenditure</b>	<b>90</b>	<b>144</b>
Administrative Overheads for CSR activity	1	1
<b>Total CSR Expenditure</b>	<b>91</b>	<b>145</b>

## Note - 37 Lease

Particulars	31-Mar-22	31-Mar-21
<b>As a Lessor :</b>		
The Company has given premises on operating leases. This lease arrangement is renewable for further period on mutually agreeable terms and also includes escalation clauses.		
The total future minimum lease rentals receivable at the balance sheet date is as under :		
Within one year	12	6
After one year but not more than five years	-	-
	<b>12</b>	<b>6</b>
<b>As a Lessee :</b>		
The company has entered into commercial leases on office building. These leases have an average life of between one and three years with renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.		
The total future minimum rentals payable under non-cancellable leases are as follows:		
Within one year	27	31
After one year but not more than five years	25	29
	<b>52</b>	<b>60</b>

## Note - 38 Exchange Difference Gain/(Loss) Recognised in the Statement of Profit & Loss

Particulars	31-Mar-22	31-Mar-21
Relating to export during the year as a part of sales / other Income	(20)	(29)
On settlement of other transaction as part of other expenses & import	(2)	-
	<b>(22)</b>	<b>(29)</b>

## Note - 39 Particulars of Unhedged Foreign Currency at the Reporting Date

		(₹ in Lacs)	
Particulars		31-Mar-22	31-Mar-21
	USD	2	9
Export Trade Receivable	₹	152	684
	€	-	-
	₹	3	-

## Note - 40 Employee Benefits

### (a) Gratuity

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

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present

value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

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

		(₹ in Lacs)	
Particulars		31-Mar-22	31-Mar-21
Amount Recognised in Balance Sheet			
	Present Value of funded defined benefit obligation	479	549
	Fair Value of Plan Assets	(447)	(458)
	<b>Net Funded Obligation</b>	<b>32</b>	<b>91</b>
Expense Recognised in the statement of Profit & Loss			
	Current Service Cost	42	53
	Interest on net defined benefit liability /(assets)	6	8
	<b>Total Expense Charged to Profit &amp; Loss</b>	<b>48</b>	<b>61</b>
Amount recorded as other comprehensive income			
	<b>Opening amount recognised in OCI outside profit &amp; loss account</b>	<b>(2)</b>	<b>21</b>
	Remeasurements during the period due to		
	Actuarial (gain)/losses on obligation for the period	(58)	(29)
	Actual return on plan assets less interest on plan assets	1	6
	<b>Closing amount recognised in OCI outside profit &amp; loss account</b>	<b>(59)</b>	<b>(2)</b>
Reconciliation of net liability/(assets)			
	<b>Opening net defined benefit liability/(assets)</b>	<b>91</b>	<b>120</b>
	Expense charged to profit & loss account	48	61
	Amount recognised outside profit & loss account	(57)	(23)
	Employer contributions	(50)	(67)
	<b>Closing net defined benefit liability/(assets)</b>	<b>32</b>	<b>91</b>
Movement in benefit obligation			
	<b>Opening of defined benefit obligation</b>	<b>549</b>	<b>541</b>
	Current Service Cost	42	53
	Interest on defined benefit obligation	37	37
	Past Service cost		
	Remeasurements due to :-		

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Actuarial Loss /(gain) arising from change in financial assumptions	(26)	5
Actuarial Loss /(gain) arising on account of experience changes	(32)	(34)
Benefits paid	(91)	(53)
<b>Closing of Defined benefit obligation</b>	<b>479</b>	<b>549</b>
Movement in Plan Assets		
<b>Opening Fair Value of Plan Assets</b>	<b>458</b>	<b>422</b>
Employer contributions	50	66
Interest on plan assets	31	29
Remeasurements due to :-		
Actual return on plan assets less interest on plan assets	(1)	(6)
Benefits paid	(91)	(53)
<b>Closing fair value of plan assets</b>	<b>447</b>	<b>458</b>
Disaggregation of Assets		
<b>Category of Assets</b>		
Insurer managed funds	447	458
<b>Grand total</b>	<b>447</b>	<b>458</b>

#### Key actuarial assumptions

Particulars	31-Mar-22	31-Mar-21
Discount rate (p.a)	7.28%	6.81%
Expected return on plan assets	6.81%	6.88%
Rate of salary Increase	7.00%	7.00%
Rate of employee turnover		for service 4 years and below 15% p.a. and above 2% p.a.

#### Sensitivity Analysis

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

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

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

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Projected Benefit Obligation on Current Assumptions	479	549
Delta Effect of +0.5% Change in Rate of Discounting	(26)	-
Delta Effect of -0.5% Change in Rate of Discounting	29	-
Delta Effect of +1% Change in Rate of Salary Increase	55	67
Delta Effect of -1% Change in Rate of Salary Increase	(48)	(58)
Delta Effect of +5% Change in Rate of Employee Turnover	11	-
Delta Effect of -5% Change in Rate of Employee Turnover	(5)	-
Delta Effect of +1% Change in Rate of Discounting	-	(62)
Delta Effect of -1% Change in Rate of Discounting	-	74

Particulars	31-Mar-22	31-Mar-21
Delta Effect of +1% Change in Rate of Employee Turnover	-	-
Delta Effect of -1% Change in Rate of Employee Turnover	-	-

**(b) Provident Fund**

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

recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund. Amount recognised in statement of Profit & Loss is ₹229 lacs (Previous year ₹196 lacs).

## Note - 41 Disclosure of transaction with related parties as required by the Indian Accounting Standard - 24

		(₹ in Lacs)						
Name of related party		Nature of transaction	31-Mar-22			31-Mar-21		
Atul Green Automotive Private Limited	Wholly Owned Subsidiary	Contribution to equity (4,50,000 shares of ₹10 each)	-	45	Dr.	5	45	Dr.
		Sale of Spares	30	-	-	-	-	-
		Sale of Vehicles	151	-	-	-	-	-
		Management Fees Income	2	-	-	-	-	-
		<b>Total</b>	<b>183</b>	<b>45</b>	<b>Dr.</b>	<b>5</b>	<b>45</b>	
Atul Greentech Private Limited	Wholly Owned Subsidiary	Contribution to equity (99,99,900 shares of ₹10 each) [Previous year 50,00,000 Shares of ₹10 each]	500	1,000	Dr.	399	500	Dr.
		Inter Corporate Deposit Repaid During the year	300	550	Dr.	850	850	Dr.
		Sale of Raw Material (Purchased on behalf of Subsidiary)	-	12	Dr.	1	18	Dr.
		Interest on inter corporate deposit	67	-	-	21	-	-
		Corporate Guarantee Fee	5	-	-	-	-	-
		Rent Income	15	-	-	-	-	-
		Outstanding Amount of loans in books of Subsidiary company for which Guarantee is given to Bank on behalf of a Subsidiary	-	1,653	-	-	-	-
		Amount of ₹2,000 lakhs Guarantee given on behalf of Subsidiary						
		<b>Total</b>	<b>887</b>	<b>1,562</b>	<b>Dr.</b>	<b>1,281</b>	<b>1,413</b>	<b>Dr.</b>
Khushbu Auto Finance Limited	(Upto 31.08.2021 the company was an Associate Company & w.e.f. 01.09.2021 the company has become the Wholly Owned Subsidiary Company)	Contribution to equity (3,94,00,000 shares of ₹10 each) [Previous year 1,18,20,000 Shares of ₹10 each]	4,457	5,778	Dr.	-	1,321	Dr.
		Receipt of Lease/ Rent (Inclusive of Taxes)	7	8	Dr.	6	48	-

Name of related party	Nature of transaction		31-Mar-22			31-Mar-21	
	Payment of Subvention Charges / Incentive (Inclusive of Taxes)	16	-	-	34	-	-
	Chola Loss Reimbursement KAFL	72	-	-	-	-	-
	Purchase of seized vehicles	-	-	-	-	-	-
	Vehicle Repairing Expenses	-	-	-	-	-	-
	Corporate Guarantee Fee (Inclusive of Taxes)	71	-	-	88	-	-
	Outstanding Amount of loans in books of Subsidiary company for which Guarantee is given to Bank on behalf of a Subsidiary	-	4,797	-	-	7,022	Cr
	Amount of ₹13,000 lakhs Guarantee given on behalf of Subsidiary (As on 31.03.2021 it was ₹11,500 lakhs)	-	-	-	-	-	-
	<b>Total</b>	<b>4,623</b>	<b>5,786</b>	<b>Dr</b>	<b>128</b>	<b>8,391</b>	<b>-</b>

**Key management personnel and their relatives :-**

Jayantibhai J Chandra	Chairman and Managing Director	Short term Employee Benefits	97	2	Cr	84	4	Cr.
Mahendra J Patel	Whole Time Director and Chief Financial Officer	Short term Employee Benefits	85	2	Cr	73	4	Cr.
Niraj J Chandra	Whole Time Director	Short term Employee Benefits	48	1	Cr	41	3	Cr.
Paras Viramgama	Company Secretary	Short term Employee Benefits	6	-	-	6	1	Cr.
Krunal J Chandra	Son of Chairman and Managing Director	Short term Employee Benefits	-	-	-	10	1	Cr.
Vijay Kedia	Independent Director	Sitting Fees	1	-	-	1	-	-
Aarti Juneja	Independent Director	Sitting Fees	1	-	-	2	-	-
Mohan Jit Walia	Independent Director	Sitting Fees	1	-	-	1	-	-
Jaichander Swaminathan	Independent Director	Sitting Fees	1	-	-	2	-	-
Vijay Kumar Goel	Independent Director	Sitting Fees	1	-	-	1	-	-
Margie Sunil Parekh	Independent Director	Sitting Fees	-	-	-	1	-	-

Name of related party		Nature of transaction	31-Mar-22			31-Mar-21		
<b>Other entities :-</b>								
Atul Auto Industries	Entity owned and controlled by relatives of key managerial personal	Sale of Raw Material	-	6	Cr.	1	13	Cr.
		Sale (Inclusive of Tax)	2	-	-	-	-	-
		Purchase of Raw Material Spares	407	-	-	420	-	-
		Purchase of Fixed Asset	2	-	-	7	-	-
		Other Expenses	-	-	-	-	-	-
		Sale of Asset	-	-	-	2	-	-
		<b>Total</b>	<b>411</b>	<b>6</b>	<b>Cr.</b>	<b>430</b>	<b>13</b>	<b>Cr.</b>
Atul Motors Private Limited	Entity owned and controlled by relatives of key managerial personal	Sales of used vehicles	-	-	-	-	-	-
		Purchase of Fixed Asset	14	-	-	8	-	-
		Other Expenses	-	-	-	2	-	-
		<b>Total</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>
Khushbu Auto Private Limited	Entity owned and controlled by relatives of key managerial personal	Sale (Inclusive of Tax)	1,942	8	Cr.	1,832	20	Cr.
		Warranty Claims/After Sales Service/PDI/WRC Charges	47	-	-	23	-	-
		Discount on sales vehicle / Sales Promotion	38	-	-	16	-	-
		Other Expense	1	-	-	1	-	-
		<b>Total</b>	<b>2,028</b>	<b>8</b>	<b>Cr.</b>	<b>1,872</b>	<b>20</b>	<b>Cr.</b>
New Chandra Motor Cycle Agency	Entity owned and controlled by relatives of key managerial personal	Sale (Inclusive of Tax)	174	16	Dr.	95	1	Dr.
		Warranty Claims/After Sales Service/PDI/WRC Charges/Lgo Meet Exp	4	-	-	2	-	-
		Discount on sales vehicle	1	-	-	1	-	-
		Other Expense	1	-	-	-	-	-
		<b>Total</b>	<b>180</b>	<b>16</b>	<b>Dr.</b>	<b>98</b>	<b>1</b>	<b>Dr.</b>

Name of related party		Nature of transaction		31-Mar-22			31-Mar-21	
New Chandra Motor Cycle House	Entity owned and controlled by relatives of key managerial personal	Sale (Inclusive of Tax)	30	-	-	16	4	Dr.
		Discount on sales vehicle	-	-	-	-	-	-
		Purchase of Raw Material Spares	1	-	-	3	-	-
		<b>Total</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>4</b>	<b>Dr.</b>
Atul Automotives	Entity owned and controlled by relatives of key managerial personal	other Expense	1	-	-	8	-	
		<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>8</b>	<b>-</b>	<b>-</b>
Atul Motors Jam LLP	Entity owned and controlled by relatives of key managerial personal	Purchase of Fixed Asset & other Expense	11	-	-	-	-	-
		<b>Total</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Atul Chandra Charitable Trust	Entity owned and controlled by relatives of key managerial personal	CSR amount Spent through Implementing Agency	45	-	-	-	-	-
		<b>Total</b>	<b>45</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Other Parties:**

**Purchase of Shares of Khushbu Auto Finance Limited (Subsidiary w.e.f. 01/09/2021) on execution of MOU Dt. 30/10/2020 on receipt of approval from RBI**

**(1) RPT as per The Companies Act, 2013**

Mahendra Patel	Director	Purchase of Equity Shares of KAFL	63	-	-	-	-	-
Manisha Patel	Relative of Director	Purchase of Equity Shares of KAFL	69	-	-	-	-	-
Mahendra J Patel-HUF	HUF of Director	Purchase of Equity Shares of KAFL	27	-	-	-	-	-
Ashok Patel	Relative of Director	Purchase of Equity Shares of KAFL	8	-	-	-	-	-
Jayantilal Chandra	Director	Purchase of Equity Shares of KAFL	478	-	-	-	-	-
Prafulla Chandra	Relative of Director	Purchase of Equity Shares of KAFL	32	-	-	-	-	-
Anita N Chandra	Relative of Director	Purchase of Equity Shares of KAFL	4	-	-	-	-	-
Tithi K Chandra	Relative of Director	Purchase of Equity Shares of KAFL	8	-	-	-	-	-

Jayantibhai J Chandra - HUF	HUF of Director	Purchase of Equity Shares of KAFL	5	-			
Niraj J Chandra - HUF	HUF of Director	Purchase of Equity Shares of KAFL	22	-			
Krunal J Chandra - HUF	HUF of Relative of Director	Purchase of Equity Shares of KAFL	24	-			
Bharat Chandra	Relative of Director	Purchase of Equity Shares of KAFL	48	-			
Mahesh Chandra	Relative of Director	Purchase of Equity Shares of KAFL	141	-			
Dharmendra Chandra	Relative of Director	Purchase of Equity Shares of KAFL	227	-			
Harishkumar J Chandra	Relative of Director	Purchase of Equity Shares of KAFL	209	-			
Vijay K Kedia	Director	Purchase of Equity Shares of KAFL	81	-			
Manju Vijay Kedia	Relative of Director	Purchase of Equity Shares of KAFL	1,082	-			
Kedia Securities Private Limited	Entity owned and controlled by relatives of key managerial personal	Entity owned and controlled by relatives of key managerial personal	339	-			

**(2) RPT as per Ind AS24**

Meena Patel	Relative of Director	Purchase of Equity Shares of KAFL	25	-			
Ashokkumar J Patel - HUF	HUF of Relative of Director	Purchase of Equity Shares of KAFL	119	-			
Kapila Chandra	Relative of Director	Purchase of Equity Shares of KAFL	5	-			
Rekha Chandra	Relative of Director	Purchase of Equity Shares of KAFL	39	-			
Ushaben Chandra	Relative of Director	Purchase of Equity Shares of KAFL	20	-			
Harsha Chandra	Relative of Director	Purchase of Equity Shares of KAFL	5	-			
Manisha Chandra	Relative of Director	Purchase of Equity Shares of KAFL	174	-			

## Note - 42 Financial Instruments

### a. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements. The Company is currently utilizing term

loan to meet long term requirements and have adequate sanctioned limits available to meet its short term capital requirements. The Company is not subject to any externally imposed capital requirements. The management of the Company reviews the capital structure of the Company on regular basis.

The following table summarises the capital of the Company:

Particulars	₹ in Lacs)	
	31-Mar-22	31-Mar-21
Equity Share Capital	1,097	1,097
Other Equity	25,782	28,226
<b>Total Equity</b>	<b>26,879</b>	<b>29,323</b>
Term Loan	7,500	1,500
Working Capital Loan	538	-
<b>Total Debt</b>	<b>8,038</b>	<b>1,500</b>
<b>Debt to Equity Ratio</b>	<b>29.90%</b>	<b>5.12%</b>

### b. Category-wise classification for applicable financial assets

Sr No	Particulars	₹ in Lacs)	
		31-Mar-22	31-Mar-21
<b>I</b>	<b>Measured at fair value through Profit or Loss (FVTPL):</b>		
	Investment in Mutual Fund	-	1,050
		-	<b>1,050</b>
<b>II</b>	<b>Measured at amortised cost:</b>		
	Trade Receivable	2,229	2,468
	Cash & Cash Equivalent	505	710
	Loans to Staff & Inter corporate Deposit	555	857
	Balance in Unpaid Dividend	21	28
	Investment in Fixed Deposits	10	110
	Other Income Receivable	36	19
		<b>3,356</b>	<b>4,192</b>
<b>III</b>	<b>Measured at cost in accordance with para 10 of Ind AS 27</b>		
	Investment in Unquoted Equity Shares of wholly owned subsidiary/associate		
	Khushbu Auto Finance Limited	5,778	1,321
	Atul Green Automotives Private Limited	45	45
	Atul Greentech Private Limited	1,000	500
		6,823	1,866
	<b>TOTAL</b>	<b>10,179</b>	<b>7,108</b>

**c. Category-wise classification for applicable financial liabilities**

(₹ in Lacs)

Sr No	Particulars	31-Mar-22	31-Mar-21
<b>I</b>	<b>Measured at amortised cost:</b>		
	Term Loan	7,500	1,500
	Working Capital Loan	538	-
	Lease Liability	37	69
	Trade Payable	4,118	4,650
	Unpaid Dividend	21	28
	Outstanding Expenses	888	803
	Dealer's Deposits	559	547
	Other Payables	21	158
		<b>13,682</b>	<b>7,755</b>

### Note - 43 Fair Value Measurement

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

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

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

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

During the year under consideration there is no transfer between level 1, level 2 and level 3 hierarchy.

**Financial Assets Measured at Fair Value Measurements Recurring:-**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Level -I</b>		
<b>Financial Investment at FVTPL</b>		
Investment in Mutual Fund	-	1,050
Level -II	-	-
Level -III	-	-
<b>Total</b>	<b>-</b>	<b>1,050</b>

**Valuation Techniques used to Determine Fair Value :-**

Mutual funds are valued at the price quoted in active market at the closing of reporting date.

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

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

## Note - 44 Financial Risk Management Objectives and Policies

### Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the

Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant risks to which the Company is exposed are described below

Risk	Exposure Arising From	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Aging analysis/Credit Rating	Analysis of no. of overdue days and track record of debtors. Levy of interest on overdue balances of trade receivables
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cash equivalents and marketable investments
Interest Risk	Bank Borrowing	External Benchmark Interest Rate	Maintaining lower lever of leverage and negotiation with banker for interest rates
Market Risk- Foreign Exchange	Trade receivable from export transaction and trade payable for import transaction	Sensitivity analysis	Export of goods shall be made after receiving payments from customer and in other case original Bill of landing is held by company till payment received.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and investment of surplus

liquidity. The Company's risk management is carried out by the finance department as per the policies approved by the Board of Directors.

### Credit Risk :-

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

### Credit Risk Management

For other financial assets the Company has an investment policy which allows the Company to invest only with counterparties having credit rating equal to or above AA+ and P1+. The company reviews the creditworthiness of these counterparties on an ongoing basis. Another source of credit risk at the reporting date is from trade receivables as these are

typically unsecured. This credit risk has always been managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to whom credit is extended in the normal course of business. The Company estimates the expected credit loss on the basis of past data and experience. Expected credit losses of financial assets receivable in the next 12 months are estimated on the basis of historical data provided the Company has reasonable and supportable data. On such an assessment the expected losses are nil or negligible, as evidenced in the table below, and hence no further provision than that already made is considered necessary.

### Reconciliation of Provision for Expected Credit Loss – Trade Receivable

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
Loss allowance at the beginning of the year	524	263
Addition in loss allowance during the year	43	261
Loss allowance as at the end of the year	567	524

### Liquidity Risk :-

The Company's principal sources of liquidity are 'cash and cash equivalents' and cash flows that are generated from operations. The Company has no outstanding term borrowings. The Company believes that its working capital is sufficient to meet its current requirements. Additionally, the Company has

sizeable surplus funds invested in fixed income securities or instruments of similar profile ensuring safety of capital and availability of liquidity if and when required. Hence the Company does not perceive any liquidity risk.

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
Net working capital funds	408	3,661
Which includes;		
i. Cash & Cash Equivalents	505	710
ii. Current Investment	-	1,050

## Contractual maturities of significant Financial Liabilities as on 31 March 2022 & 31 March 2021:

### Maturities of Financial Liabilities

	(₹ in Lacs)		
Particulars	Less than & equal to 1 Year	More than 1 Year	Total
<b>As at 31 March 2022</b>			
Trade Payable	4,118	-	4,118
Other Financial Liabilities	1,489	-	1,489
Term Loan	1071	6,429	7,500
Working Capital Loan	538		538
Lease Liabilities	16	21	37
	<b>7,232</b>	<b>6,450</b>	<b>13,682</b>
<b>As at 31 March 2021</b>			
Trade Payable	4,650	-	4,650
Other Financial Liabilities	1,536	-	1,536
Term Loan	-	1,500	1,500
Lease Liabilities	28	41	69
	<b>6,214</b>	<b>1,541</b>	<b>7,755</b>

### Interest Risk

Company has obtained Term Loan from Exim Bank. Interest Risk refers to change in interest rate due to change in benchmark interest rate in case of floating rate loan. As at 31st March, 2022 company's borrowing carries fixed interest rate hence, there will be no impact on the profitability of the company due to change in external benchmark interest rate.

### Market Risk :-

#### Foreign Currency Risk

The Company operates, in addition to domestic markets,

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

#### Open Exposure

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

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Receivable (Amount in USD)	2	9
Payable (Amount in Euro)	-	-

	(₹ in Lacs)		
Particulars	Currency	Change in Rate	Effect on PBT/Pre-Tax Equity
Year Ended March 31, 2022	US\$	+10%	15
	US\$	-10%	(15)
Year Ended March 31, 2021	US\$	+10%	68
	US\$	-10%	(68)

## Note - 45 Transaction of loans, investment, guarantees and securities given in respect of which provision os section 186 of the Companies Act, 2013 and are within limits.

(₹ in Lacs)

Particulars	Investment	ICD	Guarantee	Purpose	Proposed Utilization
Khushbu Auto Finance Limited (Wholly owned subsidiary w.e.f. 01/09/2021)	5,778	-	-	Investment in Subsidiary (w.e.f. 01/09/2021)	Amount is proposed to be utilised by Subsidiary company for its three wheeler finance business as well as financing other product for risk diverfication.
Khushbu Auto Finance Limited (Wholly owned subsidiary w.e.f. 01/09/2021)	-	-	13,000	Amount of Loans sanctioned to subsidiary company for which guarantee is given to bank on behalf of an Subsidiary	
Cholamandalam Investment and Finance Co. Limited	-	-	6,215	For finance of three wheelers of the company to end user and guaranteed by the company	For purchase of company's three wheeler by end user
Atul Green Automotive Private Limited (Wholly Owned Subsidiary)	45	-	-	Investment in Wholly Owned Subsidiary	Business Purpose
Atul Greentech Private Limited (Wholly Owned Subsidiary)	-	-	2,000	Amount of Loans sanctioned to subsidiary company for which guarantee is given to bank on behalf of an Subsidiary	Amount is proposed to be utilised for setting up battery management system plant and working capital requirement of the company
Atul Greentech Private Limited (Wholly Owned Subsidiary)	1,000	-	-	Investment in Wholly Owned Sbsidiary	Business Purpose
Atul Greentech Private Limited (Wholly Owned Subsidiary)	-	550	-	Investment in Wholly Owned Sbsidiary	Business Purpose
<b>Total</b>	<b>6,823</b>	<b>550</b>	<b>21,215</b>		

## Note - 46 Code on Social Security

The Code on Social Security, 2020 which received the President's assent on 28th September 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The

effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant date.

## Note - 47 Impact of COVID-19

The Company has considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivable and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of the financial statement, has used external and internal sources of

information/ indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered. Hence, company has estimated nil impact of COVID-19 in the financial statement for year ended 31st March, 2022. The impact of the COVID-19 on the Company's Audited Financial Statement may differ from that estimated as at the date of approval of these statements.

## Note - 48 Other Regulatory Notes

1. The Title deeds of the immovable properties (other than Common Approach Road As referred to Note No 2 & other properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
2. As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
3. The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013), which are repayable on demand or without specifying any terms or period of repayments.
4. No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
5. The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
6. The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
7. There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.
8. All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2022.
9. The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
10. No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
11. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or(b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary"
12. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries"
13. The Company has not operated in any crypto currency or Virtual Currency transactions
14. During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

## Note - 49 Ratios

Ratio	Numerator	Denominator	Numerator (₹ in Lacs)	Denominator (₹ in Lacs)	FY 21-22	Numerator (₹ in Lacs)	Denominator (₹ in Lacs)	FY 20-21	% of Variance
A. Current Ratio	Current Assets	Current Liabilities	8,893	8,485	1.05	10,804	7,143	1.51	30.71%
B. Debt-Equity Ratio	Borrowings + Interest Accrued	Total Equity	8,038	26,879	0.30	1,500	29,323	0.05	(484.59%)
C. Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + Other Adjustments like loss on sale of Fixed Assets etc.	Debt Service = Interest & Lease Payments + Principal Repayments	(1,154)	428	(2.69)	(276)	133	(2.07)	(29.89%)
D. Return on Equity Ratio	Net Profit After Taxes	Average Shareholder's Equity	(2,487)	28,101	(8.85%)	(1,020)	29,824	(3.42%)	(158.77%)
G. Trade Payables Turnover	Net Credit Purchases	Avg Trade Payables	23,905	4,384	5.45	24,227	4,271	5.67	3.87%
H. Net Capital Turnover Ratio	Net Sales	Net Working Capital	29,382	2,035	14.44	29,590	5,168	5.73	(152.21%)
I. Net Profit Ratio	Net Profit	Net Sales	(2,487)	29,382	(8.46%)	(1,020)	29,590	(3.45%)	(145.55%)
J. Return on Capital Employed	Earning before interest & taxes	Capital Employed	(2,849)	34,917	(8.16%)	(1,232)	30,861	(3.99%)	(104.39%)
K. Return on Investment	{MV(T1) - MV (T0)+ Sum [C(t)]}	{MV(T10) + Sum [W(t)* C(t)]}	29	1,006	2.88%	41	1,405	2.92%	(0.04%)

- As at 31/03/2021 company has surplus cash available in the form of investment in liquid fund. During the year same has been utilized for Capital Expenditure & Investment in Subsidiary Co. Further, Term Loan obtained for capital expenditure is due for repayment in FY 22-23. Hence, Current Liability of the Co has increased accordingly. This has resulted in reduction of current ratio
- Till 31st March, 21 company has incurred capital expenditure from its own fund and obtained Term Loan only of Rs. 1500 Lacs. However, Company has obtained further Term Loan as reimbursement of capital expenditure and hence, Term Loan of the company is increased up to 7500 Lacs. Further Company has also obtained working capital loan for its working capital purpose. Hence Debt/Equity Ratio increased to 30% in 31st Mar 22 as compared to 31st Mar 21.
- On account of pandemic overall demand in the industry has been dropped and it has impacted the volume of sales of the company.
  - Further the composition within sales mix has changed for the industry as well as for the company
  - During the year commodity prices were volatile
  - Further during the year company has capitalized its Phase-1 of Ahmedabad Plant, Hence depreciation and other fixed expenses has increased.
  - Company has obtained borrowing of ₹ Lacs which has resulted in finance cost of the company
  - Hence due to all the above explained factors the Profitability of the company has been wrongly affected during the FY 21-22.

## Note - 50 Others

Previous year figures are regrouped, re arranged & re casted wherever necessary.

# INDEPENDENT AUDITORS' REPORT

## On the Consolidated Indian Accounting Standards (Ind AS) Financial Statements

### To the Members of ATUL AUTO LIMITED

#### Opinion

We have audited the accompanying consolidated Ind AS financial statement of ATUL AUTO LIMITED ('the Holding Company') and its Subsidiary (collectively referred to as 'the Company' or 'the Group') (refer no. 1 to the attached consolidated financial statement) comprising of the consolidated balance sheet as at March 31, 2022, the consolidated statement of profit and loss (including other Comprehensive income), the consolidated cash flow statement and the consolidated statement of change in equity for the year ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'consolidated financial statements').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and other financial information of the subsidiary, the consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS'), accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at March 31, 2022, consolidated profit, their consolidated cash flow and consolidated change in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the consolidated financial statements section of our report. We are independent

of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Emphasis of Matter

- 1) Refer to note no. 43 which states the management's estimation of impact of COVID-19 on financial statements of the company for the year ended March 31, 2022. Our opinion is not modified in respect of this matters.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1.	<b>Evaluation of consolidation process</b>  The Group's consolidation process is complex on account of its conversion of financial statements of subsidiary (Khushbu Auto Finance Limited) into Ind AS which were prepared under Previous GAAP.  The consolidation process includes evaluation of the significant influence, alignment of Subsidiary accounting policies with that of parent, and resultant tax adjustments which may require a high level of judgment.	<b>We performed the following key audit procedures:</b> <ul style="list-style-type: none"><li>• Assessed the design, implementation and operating effectiveness of key controls in respect of Group's process of consolidation and management's procedures for alignment of group accounting policies, consolidation adjustments, and the resultant tax impact;</li><li>• Read the underlying documents relating to significant group entities, including agreements to review the management's evaluation of significant influence;</li><li>• Tested the relevant general IT and applications controls over the consolidation process to confirm the appropriateness of the alignment of Subsidiary accounting policies with that of parent; and</li><li>• Evaluated whether the methodology applied by management for alignment of accounting policies is appropriate by reading the accounting policies of the significant group entities and matching it with the Group's accounting policies.</li></ul>

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Management Discussion and Analysis Report and Business Responsibility Report, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries and joint ventures audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's responsibility for the consolidated financial statements**

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint ventures in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

### **Auditor's Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(l) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the group and its associates and joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such business activities included in the consolidated financial statements of which we are the independent auditors. For the business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

independence, and where applicable, related safeguards.

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

#### Other Matters

- 1) We did not audit the financial statement of subsidiary company, whose financial statement reflect total property, plant & equipment and Intangible Asset of ₹104 Lacs & Capital WIP of ₹1,885 Lacs as at March 31, 2022; total revenue of ₹3,265 Lacs and net profit of ₹137 Lacs for the year ended on that date. These financial statements and other financial information have been audited by other auditor, whose audit report together with the financial statement, and other financial information have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of such subsidiary, and our report in terms of sub-sections (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of other auditor.
- 2) One of the Subsidiary Company is Non - Banking Financial Corporation and as per Rule 4(1)(iv) of The Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods ending on March 31, 2022 with comparatives for period ending March 31, 2021, but it is not required to comply with Ind AS as company is not covered in criteria provided therein. However as per explanation to Rule 4(1)(iv) of Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 such companies need to provide relevant financial statement data which is in accordance accounting policies followed by parent company. Consolidation of Subsidiary is made on the basis of relevant financial statement data provided by subsidiary which is in accordance with the accounting policies followed by the parent company for consolidation purposes.

Our opinion on the consolidated financial statement and our report on other legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditor and the financial statement/financial information certified by the management.

#### Report on other legal and regulatory requirements

As required by section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiary, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a) With respect to the matters specified in paragraphs 3(xx) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included

in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

- b) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
- c) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept by the Company so far as appears from our examination of those books and reports of the other auditors;
- d) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account for the purpose of preparation of the consolidated financial statements.
- e) in our opinion, the aforesaid consolidated Ind AS Financial Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- f) On the basis of written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.
- g) With respect to the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure A", and
- h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:  

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration paid/provided by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act, read with Schedule V of the Act.
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us;
  - i) The consolidated financial statements disclose the impact, if any, of pending litigations on its financial position in its financial statements refer Note No. 33 to the consolidated financial statements;
  - ii) There are no long-term contracts including derivative contracts, hence the question of reporting any material foreseeable losses does not arise;
  - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the holding company.

- j) The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiaries to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in

writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

The respective Managements of the Company and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiaries from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us on the Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

**For Kamlesh Rathod & Associates**  
**Chartered Accountants**  
**FRN 117930W**

**Trupti Rathod**  
**Partner**  
**M. NO. 100684**  
**UDIN: 22100684AMUMSW4942**  
**Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022**

# ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In Conjunction with our audit of the consolidated financial statements of Atul Auto Limited as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of the group, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the guidance note on audit of internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, and accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

## Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained and the

audit evidence obtained by other auditors in terms of their report referred to in other matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

## Meaning of Internal Financial Control over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purpose in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that

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

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion to the best of our information and according to the explanations given to us, the company and its subsidiary which are companies incorporated in India have, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022 based on the internal control over financial reporting criteria established by the Group considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

## Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar

as it relates to three subsidiary company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India

**For Kamlesh Rathod & Associates**  
**Chartered Accountants**  
**FRN 117930W**

**Trupti Rathod**  
**Partner**  
**M. NO. 100684**  
**UDIN: 22100684AMUMSW4942**  
**Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022**

# CONSOLIDATED BALANCE SHEET

as at March 31, 2022

(₹ in Lacs)

Sr. No.	Particulars	Note No.	March 31, 2022	March 31, 2021
	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	2	19,841	8,877
	(b) Right of use Asset	2	35	63
	(c) Capital Work-in-Progress	2	6,040	14,980
	(d) Investment Property		-	28
	(e) Intangible Assets	3	72	38
	(f) Financial Assets			
	(i) Investments	4	-	2,019
	(ii) Loans and Advances	5	8,248	-
	(iii) Trade Receivables	10	153	148
	(g) Income Tax Assets	6	281	194
	(h) Deferred Tax Assets	17	1,353	-
	(i) Other Non-current Assets	8	1,337	2,365
	<b>Total Non-current Assets</b>		<b>37,360</b>	<b>28,712</b>
<b>(2)</b>	<b>Current Assets</b>			
	(a) Inventories	9	5,243	5,112
	(b) Financial Assets			
	(i) Investments	4	-	1,050
	(ii) Trade Receivables	10	1,995	2,319
	(iii) Cash and Cash Equivalents	11	622	729
	(iv) Other Bank Balance	12	60	179
	(v) Loans	5	6,949	-
	(vi) Other Financial Assets	7	174	26
	(c) Other Current Assets	8	2,114	626
	<b>Total Current Assets</b>		<b>17,157</b>	<b>10,041</b>
	<b>Total Assets</b>		<b>54,517</b>	<b>38,753</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	13	1,097	1,097
	(b) Other Equity	14	26,562	28,885
	<b>Total Equity</b>		<b>27,659</b>	<b>29,982</b>
	<b>LIABILITIES</b>			
<b>(3)</b>	<b>Non-current Liabilities</b>			
	(a) Financial Liability			
	(i) Borrowings	18	12,009	1,500
	(ii) Lease Liability	20	21	41
	(b) Provisions	15	138	27
	(c) Other Financial Liabilities	16	190	-

Sr. No.	Particulars	Note No.	March 31, 2022	March 31, 2021
	(d) Deferred Tax Liabilities (Net)	17	-	38
	(e) Other Non Current Liabilities		89	-
	<b>Total Non-current Liabilities</b>		<b>12,447</b>	<b>1,606</b>
<b>(4)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	18	6,745	-
	(ii) Trade Payables			
	(A) Total outstanding dues of micro enterprises and small enterprises;	19	1,536	1,862
	(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	19	2,751	2,795
	(iii) Lease Liabilities	20	16	28
	(iv) Other Financial Liabilities	21	1,797	1,540
	(b) Other Current Liabilities	22	1,031	525
	(c) Provisions	15	375	415
	(d) Current Tax Liability	22	160	-
	<b>Total Current Liabilities</b>		<b>14,411</b>	<b>7,165</b>
	<b>Total Equity and Liabilities</b>		<b>54,517</b>	<b>38,753</b>

The accompanying notes form an integral part of Consolidated Financial Statements.

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

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

**Trupti Rathod**  
Partner  
Membership no. 100684  
Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022  
UDIN: 22100684AMUMSW4942

**J J Chandra**  
Chairman and Managing Director  
DIN : 00057722

**M J Patel**  
Whole time Director & CFO  
DIN : 00057735

**Paras J. Viramgama**  
Company Secretary

# CONSOLIDATED STATEMENT OF PROFIT & LOSS

for the Year Ended March 31, 2022

		(₹ in Lacs)		
Sr. No.	Particulars	Note No.	For the Year Ended March 31, 2022	For the Year Ended March 31, 2021
<b>1</b>	<b>REVENUE FROM OPERATIONS</b>			
	a Revenue from Sale of Products	23	28,637	29,027
	b Revenue from Finance Business	23	2,031	-
	c Other Operating Income	23	864	563
	<b>TOTAL INCOME FROM OPERATIONS</b>		<b>31,532</b>	<b>29,590</b>
2	Other Income	24	140	166
<b>3</b>	<b>TOTAL INCOME</b>		<b>31,672</b>	<b>29,756</b>
<b>4</b>	<b>EXPENSES</b>			
	a Cost of Materials Consumed	25	24,328	24,272
	b Purchase of Stock in Trade		-	-
	c Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		(287)	(352)
	d Employee Benefits Expenses	26	4,238	3,774
	e Finance Costs	27	829	88
	f Depreciation and Amortisation Expenses	28	962	656
	g Product Development Expense	29	95	186
	h Loans Losses and Provisions	30	1,234	-
	i Other Expenses	30	3,563	2,476
<b>5</b>	<b>TOTAL EXPENSES</b>		<b>34,962</b>	<b>31,100</b>
6	Profit Before Exceptional Items		(3,290)	(1,344)
7	Exceptional Items		-	-
<b>8</b>	<b>Profit/(Loss) Before Tax</b>		<b>(3,290)</b>	<b>(1,344)</b>
<b>9</b>	<b>Tax Expenses</b>		<b>(742)</b>	<b>(300)</b>
	a Current Tax	31	365	(16)
	b Deferred Tax	31	(1,107)	(284)
<b>10</b>	<b>Profit /(Loss) for the Period</b>		<b>(2,548)</b>	<b>(1,044)</b>
<b>11</b>	<b>Share of Profit from Associate</b>		<b>54</b>	<b>226</b>
<b>12</b>	<b>Other Comprehensive Income, Net of Tax</b>		<b>27</b>	<b>18</b>
	a Items that will not be reclassified to profit or loss			
	(i) Remeasurements of the defined benefit plans		41	23
	(ii) Income tax effect on above		(14)	(5)
	b Items that will be reclassified to profit or loss		-	-
<b>13</b>	<b>Total Comprehensive Income for the Period (10+11+12)</b>		<b>(2,467)</b>	<b>(800)</b>
<b>14</b>	<b>Earnings Per Equity Share</b>			
	Basic & Diluted	32	(11.37)	(3.73)

The accompanying notes form an integral part of Consolidated Financial Statements.

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

**Trupti Rathod**  
 Partner  
 Membership no. 100684  
 Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022  
 UDIN: 22100684AMUMSW4942

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

**J J Chandra**  
 Chairman and Managing Director  
 DIN : 00057722

**M J Patel**  
 Whole time Director & CFO  
 DIN : 00057735

**Paras J Viramgama**  
 Company Secretary

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

## (A) Equity Share Capital

Particulars	Note No.	(₹ in Lacs)	
		March 31, 2022	March 31, 2021
At the beginning of the year		1,097	1,097
Changes in equity share capital during the year		-	-
At the end of the year	13	1,097	1,097

## (B) Other Equity (Note No. 14)

Particulars	Note No.	Capital Reserve	Security Premium	General Reserve	Shares Forfeiture	Retained Earnings	(₹ in Lacs)
							Total Other Equity
<b>Balance as at April 01, 2020</b>	<b>14</b>	<b>30</b>	<b>478</b>	<b>2,094</b>	<b>23</b>	<b>27,060</b>	<b>29,685</b>
Profit /(Loss) for the year	-	-	-	-	-	(818)	(818)
Other comprehensive income (net of tax)	-	-	-	-	-	18	18
<b>Total comprehensive income for the year ended March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(800)</b>	<b>(800)</b>
<b>Transaction with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at March 31, 2021</b>	<b>-</b>	<b>30</b>	<b>478</b>	<b>2,094</b>	<b>23</b>	<b>26,260</b>	<b>28,885</b>
<b>Additions during the year</b>							
Gain on Bargain Purchase of Subsidiary	-	144	-	-	-	-	144
Profit /(Loss) for the year	-	-	-	-	-	(2,494)	(2,494)
Other comprehensive income (net of tax)	-	-	-	-	-	27	27
<b>Total comprehensive income for the year ended March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,467)</b>	<b>(2,467)</b>
<b>Transaction with owners in their capacity as owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at March 31, 2022</b>	<b>-</b>	<b>174</b>	<b>478</b>	<b>2,094</b>	<b>23</b>	<b>23,793</b>	<b>26,562</b>

The accompanying notes form an integral part of Consolidated Financial Statements.

As per our report of even date attached

**For Kamlesh Rathod & Associates**

Chartered Accountants

FRN: 117930W

**Trupti Rathod**

Partner

Membership no. 100684

Signed at Bhayla (Dist. Ahmedabad) on May 27, 2022

UDIN: 22100684AMUMSW4942

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

**J J Chandra**

Chairman and Managing Director

DIN : 00057722

**M J Patel**

Whole time Director & CFO

DIN : 00057735

**Paras J Viramgama**

Company Secretary

# CONSOLIDATED STATEMENT OF CASH FLOW

for the Year Ended March 31, 2022

		(₹ in Lacs)	
Sr. No.	Particulars	March 31, 2022	March 31, 2021
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	<b>(3,290)</b>	<b>(1,118)</b>
	Adjustment for:		
	Add/(Less):-		
	Provision for Doubtful Debts	43	261
	Depreciation & Impairment	962	656
	Finance Cost	829	84
	Interest on Income Tax	-	4
	<b>Sub Total</b>	<b>1,834</b>	<b>1,005</b>
	Less :-		
	Share of Profit from Associate	-	(226)
	Loss/(Profit) on Sale of Fixed Assets	(1)	(7)
	Profit on Redemption/Revaluation of Mutual Fund	(31)	(43)
	Rent Income	(8)	-
	Interest Received on Deposits	(69)	(23)
	Unrealised Foreign Exchange Gain	26	40
	<b>Sub Total</b>	<b>(83)</b>	<b>(259)</b>
	<b>Operating Profit Before Working Capital Changes</b>	<b>(1,539)</b>	<b>(372)</b>
	<b>Movements in Working Capital:</b>		
	Decrease/-Increase in Trade Receivable	225	5,133
	Decrease/-Increase in Inventories	(131)	(309)
	Decrease/-Increase in Loans and Other Assets (net of impairment)	(15,658)	(201)
	Increase/-Decrease in Trade Payables	(527)	1,612
	Increase/-Decrease in Liabilities/Provisions	1,246	(625)
	<b>Total Movement in Working Capital</b>	<b>(14,845)</b>	<b>5,610</b>
	Cash Generated from Operations	(16,384)	5,238
	Direct Taxes Paid (Net of Refunds)	(532)	(29)
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>(16,916)</b>	<b>5,209</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets, Capital WIP and Advances for Capital Goods & of Payable	(944)	(5,131)
	Proceeds from Sale of Fixed Assets	-	52
	Net (Investment)/ Net Proceeds from Sale of Mutual Fund	1,081	(1,007)
	Proceed from Disposal of Investment in Associate at Group Level	203	-
	Rent Income	8	-
	(Increase)/Decrease in Other Bank Balance	-	(49)
	(Increase)/Decrease in Inter Corporate Deposits	-	108



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

for the year ended on March 31, 2022

1 (a) The consolidated financial statements comprise financial statements of Atul Auto Limited (the 'Company'), and its subsidiaries (collectively, the 'Group') for the year ended 31st March 2022. The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on

(b) The consolidated financial statements include results of the subsidiaries company of Atul Auto Limited; consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Sr.No	Name of Company	Country of Incorporation	% Holding of AAL	% of Holding by others	Consolidated as
1	Atul Green Automotive Private Limited (AGAPL)	India	100	-	Wholly-owned Subsidiary
2	Atul Greentech Private Limited (AGPL)	India	100	-	Wholly-owned Subsidiary
3	Khushbu Auto Finance Limited (KAFL)	India	100	-	Wholly-owned Subsidiary (w.e.f. 01 Sep, 2021)

(c) These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the 'Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and other relevant provisions of the Act, on an accrual basis.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

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

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

(d) Accounting policies applicable in consolidated financial statements.

(1) The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.

(2) Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.

(3) Khushbu Auto Finance Limited is Non Banking Financial Company and as per Rule 4(1)(iv) of The Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 companies (Indian accounting standards) rules, NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2018, with comparatives for the periods ending on 31st March, 2018, or thereafter but it is not covered in criteria provided therein. However, as per explanation to Rule 4(1)(iv) of Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 such companies need to provide relevant financial statement data which is in accordance accounting policies followed by parent company. Consolidation of Khushbu Auto Finance Limited is made on the basis of relevant financial statement data provided by subsidiary which is in accordance with the accounting policies followed by the parent company for consolidation purposes.

(4) During the Year, holding company has acquired 70% shares of KAFL from its promoters. Gain on Bargain purchase on account of difference in Cost of acquisition and fair value of assets and liabilities on the date of acquisition is credited in capital reserve in accordance with Ind AS 103.

(5) The consolidated statement of Profit and loss of the company comprises of the standalone profit and loss balances of following group companies:

Name of the Company	Period of Consolidation
Atul Auto Limited	01-Apr-2021 to 31-Mar-2022
Atul Greentech Private Limited	01-Apr-2021 to 31-Mar-2022
Atul Green Automotives Private Limited	01-Apr-2021 to 31-Mar-2022
Khushbu Auto Finance Limited*	01-Sep-2021 to 31-Mar-2022

\*Khushbu Auto Finance Limited has become subsidiary from 01st September, 2021 and therefore its balances are consolidated from the date the control on KAFL existed with the company in accordance with Ind AS 110.

#### Accounting policies followed by Subsidiary :-

##### **Khushbu Auto Finance Limited**

##### **Income Recognition and Provisioning**

Company has recognized its income by effective interest method, amortized processing fees and made provision for expected credit loss on its outstanding which is in accordance with Ind AS - 109.

##### **Participative Preference Shares**

The company has issued Participative Preference Shares(PPS) in accordance with the MoU between Atul Auto Limited, the company and its promoters on following Terms:

1. PPS shall be redeemable at the end of 5 years from the date of issue.
2. Redemption price shall be the Book value on the latest audited/ limited review balance sheet on the date of redemption.
3. The PPS shall carry fixed dividend at the rate of 0.001% per annum.
4. In the event of declaration of dividend to Equity shareholders, the PPS holders shall be entitled to same rate of dividend.
5. In the event of winding up of company, the PPS holders shall carry preferential right on distribution of assets.
6. In the event of winding up of company, the PPS holders shall have preferential right with regard to repayment of capital over and above the equity shareholders.
7. PPS holders shall not carry any voting rights.

PPS are measured at book value of Equity shares at the end of reporting period. At the time of issue of PPS, the difference between the issue price and its value at initial recognition is set aside from balance of surplus in profit and loss.

Subsequently, at each reporting period, PPS is measured at book value of Equity share in accordance with terms of MoU and the differential gain/(loss) is recognised in statement of profit and loss account.

## Note - 2 Property, Plant and Equipment

### Current Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 1, 2021	Additions	Deductions/-Adjustments	As at March 31, 2022	As at April 1, 2021	Additions	Deductions/-Adjustments	As at March 31, 2022	As at March 31, 2022
Freehold Land	4,213	-	166	4,047	-	-	-	-	4,047
Buildings	1,993	7,089	89	8,993	825	217	-	1,042	7,951
Plant & Machinery (Including Electric Fitting)	7,784	4,116	-	11,900	4,695	587	-	5,282	6,618
Furniture & Fittings	239	828	-	1,067	151	63	-	214	853
Computers	316	114	-	430	286	84	-	370	60
Office Equipment	147	83	-	230	138	21	-	159	71
Vehicles	533	59	20	571	253	86	8	331	241
<b>TOTAL</b>	<b>15,225</b>	<b>12,289</b>	<b>275</b>	<b>27,238</b>	<b>6,348</b>	<b>1,058</b>	<b>8</b>	<b>7,398</b>	<b>19,841</b>
<b>Leasehold Assets (Right-of-Use Assets)</b>	<b>153</b>	<b>23</b>	<b>36</b>	<b>140</b>	<b>90</b>	<b>28</b>	<b>13</b>	<b>105</b>	<b>35</b>
<b>Capital Work in Progress</b>	<b>14,980</b>	<b>2,749</b>	<b>11,689</b>	<b>6,040</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,040</b>

### Ageing of CWIP

#### (i) For CWIP Ageing Schedule

(₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress FY22	1,764	722	2,392	1,162	6,040
Projects temporarily Suspended	-	-	-	-	-

#### (ii) For CWIP whose Completion is Overdue

(₹ in Lacs)

CWIP	To be completed in				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress FY22	6,040	-	-	-	-
Projects temporarily Suspended	-	-	-	-	-

#### (iii) Project Completion Exceeded Cost : None

### Previous Year

(₹ in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 1, 2020	Additions	Deductions/-Adjustments	As at March 31, 2021	As at April 1, 2020	Additions	Deductions/-Adjustments	As at March 31, 2021	As at March 31, 2021
Freehold Land	4,211	2	-	4,213	-	-	-	-	4,213
Buildings	2,043	-	50	1,993	763	69	7	825	1,168
Plant & Machinery (Including Electric Fitting)	7,490	308	14	7,784	4,246	453	4	4,695	3,089
Furniture & Fittings	239	-	-	239	151	-	-	151	88
Computers	309	7	-	316	263	23	-	286	30
Office Equipment	146	1	-	147	133	5	-	138	9
Vehicles	526	7	-	533	198	55	-	253	280
<b>TOTAL</b>	<b>14,964</b>	<b>325</b>	<b>64</b>	<b>15,225</b>	<b>5,754</b>	<b>605</b>	<b>11</b>	<b>6,348</b>	<b>8,877</b>
<b>Leasehold Assets (Right-of-Use Assets)</b>	<b>112</b>	<b>45</b>	<b>4</b>	<b>153</b>	<b>43</b>	<b>51</b>	<b>3</b>	<b>90</b>	<b>63</b>
<b>Capital Work in Progress</b>	<b>11,700</b>	<b>3,602</b>	<b>322</b>	<b>14,980</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,980</b>

**(I) For CWIP Ageing Schedule**

(₹ in Lacs)

CWIP	Amount in CWIP for a period of				Total
	Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	
Projects in Progress FY21	3,545	7,794	3,149	492	14,980
Projects temporarily Suspended	-	-	-	-	-

**(ii & iii) Project Completion Overdue or Exceeded Compared to Original Plan : None****Note:**

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

**Note on Title Deeds not held in the name of the company**

Description	Gross Carrying Value (₹ in Lacs)	Held in Name of	Relationship with person in whose name Held	Period Held	Reasons for not being held in name of company	Treatment in Books
Right to use Road	30	Jayantilal Jagjivandas Chandra	Chairman and Managing Director	5 Years	It is an agriculture land.	Capitalized under Head 'Land'

**Note - 3 Intangible Assets****Current Year**

(₹ in Lacs)

Particulars	Gross Block			Depreciation				Net Block	
	As at April 1, 2021	Additions	Deductions/-Adjustments	As at March 31, 2022	As at April 1, 2021	Additions	Deductions/-Adjustments	As at March 31, 2022	As at March 31, 2022
Product Development	195	-	-	195	195	-	-	195	-
Computer Software	165	64	-	229	127	31	-	157	72
<b>TOTAL</b>	<b>360</b>	<b>64</b>	<b>-</b>	<b>424</b>	<b>322</b>	<b>31</b>	<b>-</b>	<b>353</b>	<b>72</b>

**Previous Year**

(₹ in Lacs)

Particulars	Gross Block			Depreciation				Net Block	
	As at April 1, 2020	Additions	Deductions/-Adjustments	As at March 31, 2021	As at April 1, 2020	Additions	Deductions/-Adjustments	As at March 31, 2021	As at March 31, 2021
Product Development	195	-	-	195	195	-	-	195	-
Computer Software	127	38	-	165	127	-	-	127	38
<b>TOTAL</b>	<b>322</b>	<b>38</b>	<b>-</b>	<b>360</b>	<b>322</b>	<b>-</b>	<b>-</b>	<b>322</b>	<b>38</b>

## Note - 4 Investment

		(₹ in Lacs)	
Particulars		31-Mar-22	31-Mar-21
<b>Non-Current Investment</b>			
<b>(a)</b>	<b>Investment in Associate</b>		
	<b>Investment at Cost (Unquoted)</b>		
	Extent of holding	-	30%
	No. of Shares owned	-	11,820,000
	Investment in Khushbu Auto Finance Limited	-	2,019
	<b>Total (a)</b>	-	<b>2,019</b>
	<b>Total Non-current Investment</b>	-	<b>2,019</b>
<b>Current Investment</b>			
<b>(b)</b>	<b>Investment in Mutual Fund</b>		
	Investment carried at fair value through Profit & Loss		
	<b>Quoted :</b>		
	Aditya Birla Sun Life Overnight Fund [Growth]	-	330
	(Units: PY 29,660.34, CY - Nil)		
	Tata Overnight Fund [Growth]	-	290
	(Units: PY - 26715.09, CY - Nil)		
	Sbi Overnight Fund [Growth]	-	130
	(Units: PY - 3878.741, CY - Nil)		
	Kotak Overnight Fund [Growth]	-	100
	(Units: PY - 9108.504, CY - Nil)		
	Dsp Overnight Fund [Growth]	-	200
	(Units: PY - 18149.135, CY - Nil)		
	<b>Total (b)</b>	-	<b>1,050</b>
	<b>Total Current Investment</b>	-	<b>1,050</b>
	<b>Total Investment</b>	-	<b>3,069</b>

		(₹ in Lacs)			
Particulars	Book Value		Market Value		
	31-Mar-22	31-Mar-21	31-Mar-22	31-Mar-21	
<b>Quoted</b>	-	1,050	-	1,050	
<b>Unquoted</b>	-	2,019	-	NA	

### Notes to Investments

- (i) Investment made by the company other than those with a maturity of less than one year are intended to be held for short term. On an assessment of the expected credit loss due to significant changes in the risk profile, no material provisions are required to be made.
- (ii) Refer Note-1 for accounting policy and valuation principles for investments and Note-42 for credit risk management related to investments.
- (iii) The company has acquired 70% of stake in Khushbu Auto Finance Limited (Holding 30% Stake in Previous Year) resulting into the later company becoming wholly owned subsidiary from associate w.e.f. 01 September, 2022. The above transaction has been accounted for as Step Acquisition as per Ind AS 103 and is consolidated on line to line basis from the Transaction date in compliance with Ind AS 110.

## Note No. 5

(₹ in Lacs)

As at March 31, 2022												
Particulars	Non-Current					Current					Total	
	Amortised Cost	At Fair Value				Sub-Total	Amortised Cost	At Fair Value				Sub-Total
		Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value through Profit and Loss Account	Through Other Comprehensive Income			Through Profit and Loss Account	Designated at Fair Value through Profit and Loss Account			
1	2	3	4	(5=1+2+3+4)	6	7	8	9	(10=6+7+8+9)	(11=5+10)		
<b>Loans</b>												
A. (i) Retail Loans	10,368	-	-	-	10,368	5,550				5,550	15,918	
(ii) Business Loans					-	1,358				1,358	1,358	
(iii) Inter Corporate Deposits	-	-	-	-	-	41	-	-	-	41	41	
<b>Gross</b>	<b>10,368</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,368</b>	<b>6,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,949</b>	<b>17,317</b>	
Less: Impairment loss allowance	2,120				2,120	-				-	2,120	
<b>Net</b>	<b>8,248</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,248</b>	<b>6,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,949</b>	<b>15,197</b>	

(₹ in Lacs)

As at March 31, 2022					
Particulars	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value through Profit and Loss Account	
	1	2	3	4	(5=1+2+3+4)
<b>Loans</b>					
B. (i) Secured on hypothecation of automobiles	15,918				15,918
(ii) Secured on hypothecation of immovable properties	1,358				1,358
(iii) Unsecured	41				41
<b>Gross</b>	<b>17,317</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,317</b>
Less: Impairment loss allowance	2,120				2,120
<b>Net</b>	<b>15,197</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,197</b>

(₹ in Lacs)

As at March 31, 2021												
Particulars	Non-Current					Current					Total	
	Amortised Cost	At Fair Value				Sub-Total	Amortised Cost	At Fair Value				Sub-Total
		Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value through Profit and Loss Account	Through Other Comprehensive Income			Through Profit and Loss Account	Designated at Fair Value through Profit and Loss Account			
1	2	3	4	(5=1+2+3+4)	6	7	8	9	(10=6+7+8+9)	(11=5+10)		
<b>Loans</b>												
A. (i) Retail Loans	-	-	-	-	-	-				-	-	
(ii) Business Loans					-	-				-	-	
(iii) Inter Corporate Deposits	-	-	-	-	-	-	-	-	-	-	-	
<b>Gross</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Less: Impairment loss allowance	-				-	-				-	-	
<b>Net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

## As at March 31, 2021

Particulars	Amortised Cost	At Fair Value			Total
		Through Other Comprehensive Income	Through Profit and Loss Account	Designated at Fair Value through Profit and Loss Account	
	1	2	3	4	(5=1+2+3+4)
<b>Loans</b>					
B. (i) Secured on hypothecation of automobiles	-	-	-	-	-
(ii) Secured on hypothecation of immovable properties	-	-	-	-	-
(iii) Unsecured	-	-	-	-	-
<b>Gross</b>	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-
<b>Net</b>	-	-	-	-	-

## Note - 6 Income Tax Asset (Net)

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Income Tax Asset (Net)	281	194
<b>Total Income Tax Asset (Net)</b>	<b>281</b>	<b>194</b>

## Note - 7 Other Financial Assets

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Other Income Receivables	98	19
Loans to Staff	76	7
<b>Total Other Financial Assets</b>	<b>174</b>	<b>26</b>

## Note - 8 Other Assets

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Other Non - Current Assets</b>		
Security Deposit	126	127
Advances to Suppliers for Capital Goods	1,207	2,234
Balance with Govt. authorities	4	4
<b>Total Other Non - Current Assets (A)</b>	<b>1,337</b>	<b>2,365</b>
<b>Other Current Assets</b>		
Advances to Supplier for Goods & Services	425	269
Prepaid Expenses	36	46
Accrued Interest Income	140	-
Receivables from Income Distribution Partners	509	-
Balances with Government Authorities	948	280
Other Receivables	56	31
<b>Total Other Current Assets (B)</b>	<b>2,114</b>	<b>626</b>
<b>Total Other Assets (A+B)</b>	<b>3,451</b>	<b>2,991</b>
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member	-	-

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

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
Raw Material (including Goods in Transit ₹ Nil, PY ₹ Nil)	3,194	3,863
Consumables (including Goods in Transit ₹ Nil, PY ₹ Nil)	904	657
Work-in-Process	64	30
Finished Goods (including Goods in Transit ₹142 lacs, PY ₹29 lacs)	1,063	549
Stock of Traded Goods	18	13
<b>Total Inventories</b>	<b>5,243</b>	<b>5,112</b>

The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.

## Note - 10 Trade Receivables

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
<b>Non-Current</b>		
Significant Increase in Credit Risk	716	606
Less: Provision for Expected Credit Loss	-563	-458
	<b>153</b>	<b>148</b>
Unsecured, Considered Good	1,556	2,291
Unbilled Revenue	443	94
Less: Provision for Expected Credit Loss	-4	-66
	<b>1,995</b>	<b>2,319</b>
<b>Total Trade Receivables</b>	<b>2,148</b>	<b>2,467</b>
Debts due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director is a partner or a director or a member	18	7

### 10.1 The age wise analysis of the Trade Receivable as per Sub Ledger is given below:-

Particulars	31-Mar-22					Total
	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables- considered good	1,496	33	10	11	2	1,552
(ii) Undisputed Trade Receivables-significant increase in credit risk	-	-	2	14	137	153
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables-significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
(vii) Unbilled Dues	-	-	-	-	-	443

Particulars	31-Mar-21					
	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months-1 Year	1-2 Years	2-3 Years	More than 3 Years	
(i) Undisputed Trade Receivables- considered good	1,499	19	568	33	12	2,131
(ii) Undisputed Trade Receivables-significant increase in credit risk	2	1	16	88	41	148
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	-	-	-	-
(v) Disputed Trade Receivables- significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables- credit impaired	-	-	-	-	-	-
(vii) Unbilled Dues	-	-	-	-	-	94

## Note - 11 Cash & cash Equivalent

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Cash on Hand	28	-
<b>Balances with Bank</b>	-	-
In Current Accounts	594	729
Cheques on Hand	-	-
<b>Total Cash &amp; cash Equivalent</b>	<b>622</b>	<b>729</b>

## Note - 12 Other Bank Balances

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Unpaid Dividend Bank Balances	21	28
Deposits with residual maturity for less than 12 months	39	151
<b>Total Other Bank Balances</b>	<b>60</b>	<b>179</b>

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

## Note -13 Share Capital

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>a) Authorised Shares</b>		
Equity Shares of ₹ 5 each		
No of Share	30,000,000	30,000,000
Amount(₹)	1,500	1,500
<b>Issued &amp; Subscribed Shares</b>		
Equity Shares of ₹ 5 each		
No of Share	23,224,600	23,224,600
Amount(₹)	1,161	1,161
<b>Paid up Shares</b>		
Equity Shares of ₹ 5 each		
No of Share	21,943,200	21,943,200
Amount(₹)	1,097	1,097
<b>Total Share Capital</b>	<b>1,097</b>	<b>1,097</b>

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

(₹ in Lacs)

Particulars	31-Mar-22		31-Mar-21	
	No.	Amount ₹	No.	Amount ₹
At the beginning of the period	21,943,200	1,097	21,943,200	1,097
Outstanding at the end of the period	21,943,200	1,097	21,943,200	1,097

**c) Terms/Rights attached to Equity Shares**

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

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

**d) Details of shareholders**

(₹ in Lacs)

Particulars	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	% of total holding	No. of Shares	% of total holding
	Equity Share of ₹5 each		Equity Share of ₹5 each	
<b>Part - A - Promotor Group</b>				
Maheshbhai Jagjivandas Chandra	1,969,242	8.97%	1,969,242	8.97%
Jayantibhai Jagjivandas Chandra	1,351,742	6.16%	1,351,742	6.16%
Dharmendrabhai Jagjivandas Chandra	1,267,326	5.78%	1,267,326	5.78%
Harishbhai Jagjivandas Chandra	1,164,786	5.31%	1,164,786	5.31%
Bharat Jagjivandas Chandra	975,906	4.45%	975,906	4.45%
Manishaben Atulkumar Chandra	932,220	4.25%	932,220	4.25%
Ramaben Jamnadas Patel	315,488	1.44%	315,488	1.44%
Mahendrakumar Jamnadas Patel	277,848	1.27%	277,848	1.27%
Prafullaben Jayantibhai Chandra	269,686	1.23%	269,686	1.23%
Rekhaben Maheshbhai Chandra	255,300	1.16%	255,300	1.16%
Ushaben Dharmendrabhai Chandra	244,274	1.11%	244,274	1.11%
Vasantraai Kurjibhai Patel	228,000	1.04%	228,000	1.04%
Chetankumar Vasantraai Patel	220,536	1.01%	220,536	1.01%
Harshaben Harishbhai Chandra	211,800	0.97%	211,800	0.97%
Krunal J. Chandra	202,650	0.92%	202,650	0.92%
Manjulaben Vasantraai Patel	191,304	0.87%	191,304	0.87%
Ramaben Dayalal Patel	161,504	0.74%	161,504	0.74%
Hetal Alpesh Chandra	153,720	0.70%	153,720	0.70%
Alpesh Bharatbhai Chandra	146,160	0.67%	146,160	0.67%
Kapilaben Bharatbhai Chandra	141,504	0.64%	141,504	0.64%
Hiren Vasantraai Patel	138,960	0.63%	138,960	0.63%
Ashokkumar Jamnadas Patel	136,944	0.62%	136,944	0.62%
Anita Nirajbhai Chandra	131,000	0.60%	131,000	0.60%
Krishnaben Chetankumar Patel	127,368	0.58%	127,368	0.58%
Manishaben Mahendrakumar Patel	121,712	0.55%	121,712	0.55%
Minaben Ashokkumar Patel	121,712	0.55%	121,712	0.55%
Niraj Jayantibhai Chandra	105,118	0.48%	105,118	0.48%
<b>Part - B - Other Shareholders</b>				
HDFC Small Cap	-	0.00%	1,216,635	5.54%

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

## Note - 14 Other Equity

		(₹ in Lacs)	
Particulars		31-Mar-22	31-Mar-21
(a)	Capital Reserves	174	30
(b)	Share Premium Account	478	478
(c)	General Reserve	2,094	2,094
(d)	Share Forfeiture	23	23
(e)	Retained Earning		
	<b>Balance at the beginning of the year</b>	<b>26,260</b>	<b>27,060</b>
	Total Comprehensive Income	(2,467)	(800)
	<b>Balance in Retained Earning</b>	<b>23,793</b>	<b>26,260</b>
	<b>Total Other Equity</b>	<b>26,562</b>	<b>28,885</b>

## Note -15 Provisions

		(₹ in Lacs)	
Particulars		31-Mar-22	31-Mar-21
<b>Non - Current Provisions</b>			
	Warranty Claim	78	27
	Provision for Employee Benefits	59	-
	Other Provisions	1	-
	<b>Total Non - Current Provisions (A)</b>	<b>138</b>	<b>27</b>
<b>Current Provision</b>			
<b>Provision for Employee Benefits</b>			
	Gratuity	32	91
	<b>Sub-Total (a)</b>	<b>32</b>	<b>91</b>
<b>Other Provisions</b>			
	Provision for After Sales Activities	74	81
	Provision for Warranty Claims	112	65
	Provision for Expected Credit Loss on Risk Sharing Arrangement	157	178
	<b>Sub-Total (b)</b>	<b>343</b>	<b>324</b>
	<b>Total Current Provisions (B)</b>	<b>375</b>	<b>415</b>
	<b>Total Provisions (A+B)</b>	<b>513</b>	<b>442</b>

## Note - 16 Other Financial Liabilities

		(₹ in Lacs)	
Particulars		31-Mar-22	31-Mar-21
	Deposits of Income Distribution Partners	190	-
	<b>Total Other Financial Liabilities</b>	<b>190</b>	<b>-</b>

## Note - 17 Deferred Tax Assets

		(₹ in Lacs)	
Particulars		31-Mar-22	31-Mar-21
<b>Deferred Tax Liabilities</b>			
	On account of Timing differences in-		
	Property Plant and Equipment	604	412

Particulars	31-Mar-22	31-Mar-21
<b>Deferred Tax Liabilities (Gross)</b>	<b>604</b>	<b>412</b>
<b>Deferred Tax Assets</b>		
On account of Timing differences in-		
Property, Plant and Equipment	12	6
Lease Liability	9	17
Retirement and Other Benefits	8	23
Provision for Loans/Receivables	146	132
Current year losses and unabsorbed depreciation	1,521	196
Interest income recognised as per ICDS	191	-
Others	70	-
<b>Deferred Tax Assets (Gross)</b>	<b>1,957</b>	<b>374</b>
<b>Deferred Tax Assets(Net)</b>	<b>1,353</b>	<b>(38)</b>

## Note - 18 Borrowings

Particulars	31-Mar-22	31-Mar-21
<b>Long Term</b>		
Inter Corporate Deposits	1,080	-
EXIM - Term Loan	6,429	1,500
ICICI Bank Term Loan	1,314	-
Participative Preference Shares	3,186	-
<b>Total Long Term</b>	<b>12,009</b>	<b>1,500</b>
<b>Short Term</b>		
Working Capital Loan	4,339	-
Cash Credits	797	-
EXIM - Term Loan	1,071	-
FCNR (B) Loan - IDBI Bank	538	-
<b>Total Short Term</b>	<b>6,745</b>	<b>-</b>
<b>Total Borrowings</b>	<b>18,754</b>	<b>1,500</b>

### Terms & Conditions of EXIM Term Loan

- The company has part financed its Greenfield project at Bhayla Ahmedabad by way of sanction of Term Loan from EXIM Bank. The said loan is a Reimbursement basis Term Loan i.e, the company had to first spend its own funds on the project out of which 31 % will be reimbursed by the Bank on capitalisation of the project.
- Term Loan is secured by First Charge on the entire movable and immovable fixed assets of AAL at plant at Bhayla, Ahmedabad, both present & future, Second pari passu charge on entire current assets of AAL, both present & future and personal guarantee of Chairman and Managing Director and Whole Time Director of the company.
- Rate of Interest is 7.75% p.a.
- It is repayable in 21 Equal Quarterly Instalments commencing after 12 months from the scheduled date of commencement which is 27 Sep, 2021.

### Terms & Conditions of FCNR Loan

- The loan is availed in US\$ 7 Lacs with conversion value of Rs.76.88 as sub limit of Cash Credit
- The loan is repayable after a period of 88 days in US\$ 7 Lacs with hedged conversion price of Rs. 77.90/US\$
- Rate of Interest is LIBOR+1.40% p.a. & effective rate of Interest is 6.90% for the loan period

### Terms & Conditions of Participative Preference Shares

1. PPS shall be redeemable at the end of 5 years from the date of issue.
2. Redemption price shall be the Book value on the latest audited/ limited review balance sheet on the date of redemption.
3. The PPS shall carry fixed dividend at the rate of 0.001% per annum.
4. In the event of declaration of dividend to Equity shareholders, the PPS holders shall be entitled to same rate of dividend.
5. In the event of winding up of company, the PPS holders shall carry preferential right on distribution of assets.
6. In the event of winding up of company, the PPS holders shall have preferential right with regard to repayment of capital over and above the equity shareholders.
7. PPS holders shall not carry any voting rights.

### Terms and Conditions of Inter Corporate Deposit

ICD from Khushbu Auto Private Limited is unsecured and repayable after 31st March, 2023 or earlier date at the option of the borrower and it carries a interest rate of 9.00% p.a.

### Terms and Conditions of ICICI Bank Term Loan:

1. Tenure for the term loan is 6 years (including moratorium of 12 months. Principle amount of the facility shall be repaid in 20 Equal Instalments.
2. Term Loan is secured exclusive charge on fixed assets of greenfield project (for setting up battery manufacturing facility at ahmedabad), Second pari passu charge on entire current assets of AGPL, both present & future and personal gaurantee of Director of the company and Atul Auto Limited.
3. Interest rate for the term loan is MCLR 1Y+1.25%

### Terms & Conditions of Cash Credits

#### a. Yes Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, installments receivables and entire current assets of the borrower and corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It carries rate of interest @ 3 months MCLR +1% for year ended on 31.03.2021 & external benchmark rate + 6.27% for the year ended on 31.03.2022.

#### b. ICICI Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, installments receivables and entire current assets of the borrower and corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It carries rate of interest @ 6 month MCLR + 1.65% and is repayable on demand.

#### c. IDBI Bank

Cash Credit facility is secured by way of first pari passu charge on stock on hire purchase, installments receivables and entire current assets of the borrower and corporate guarantee given by Atul Auto Limited, holding 100% equity share in the company. It is repayable on demand and carries rate of interest @ 1.70 + 1 year MCLR for the year ended on 31.03.2021 & MCLR (Y) + 2.35% for the year ended on 31.03.2022.

#### d. DCB Bank

Loan is to be repayable in 36 equal monthly installments after 3 months moratorium from the date of disbursement interest to be serviced as and when due.

Bank Loan is secured by paripassu charges on entire current assets including receivables of the company with minimum assets cover of 1.25 times. It carries rate of interest @ 6 month MCLR + 0.75% p.a. Company has not availed moratorium in repayment of principal and interest as per RBI Circular dated March 27, 2020. The same is satisfied during the year.

## Note - 19 Trade Payables

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Total outstanding dues of micro enterprises and small enterprises	1,536	1,862
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,751	2,795
<b>Total Trade Payables</b>	<b>4,287</b>	<b>4,657</b>

Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors

Particulars		31-Mar-22	31-Mar-21
<b>Principal amount and interest due thereon remaining unpaid to any supplier covered under MSMED Act</b>			
(i)	(a) Principal amount remaining unpaid to any supplier	1,536	1,577
	(b) Interest on (i)(a) above	-	-
(ii)	The amount of interest paid along with the principal payment made to the supplier	-	-
(iii)	Amount of interest due and payable on delayed payments	-	-
(iv)	Amount of further interest remaining due and payable for the earlier years	-	-
(v)	Total outstanding dues of Micro and Small Enterprises		
	Principal	1,536	1,577
	Interest	-	-

The age wise analysis of the Trade Payables as per Sub Ledger is given below:-

Particulars		For the year ended on March 31, 2022				
		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 Years	Total
(i)	MSME	1,536	-	-	-	1,536
(ii)	Others	2,739	3	6	3	2,751
(iii)	Disputed Dues- MSME	-	-	-	-	-
(iv)	Disputed Dues- Others	-	-	-	-	-

Particulars		For the year ended on March 31, 2021				
		Outstanding for following periods from due date of payment				
		Less than 1 year	1-2 Years	2-3 years	More than 3 Years	Total
(i)	MSME	1,577	-	-	-	1,577
(ii)	Others	3,232	3	1	2	3,238
(iii)	Disputed Dues- MSME	-	-	-	-	-
(iv)	Disputed Dues- Others	-	-	-	-	-

## Note - 20 Lease Liabilities

Particulars	31-Mar-22	31-Mar-21
Non-current Lease Liability	21	41
Current Lease Liability	16	28
<b>Total Lease Liability</b>	<b>37</b>	<b>69</b>

## Note - 21 Other Financial Liabilities

Particulars	31-Mar-22	31-Mar-21
Unpaid Dividends*	21	28
*Investor Education and Protection Fund will be credited by amount (as and when due)	-	-
Expenses Payable	1,043	807
Dealer's Deposit/ Deposits on Hold	611	547
Income Received in Advance	101	
Payable for Capital Goods	21	158
<b>Total Other Financial Liabilities</b>	<b>1,797</b>	<b>1,540</b>

## Note - 22 Other Current Liabilities & Tax Liabilities

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Advances from Dealers/Customers	623	457
Statutory Dues	113	35
Others	295	33
<b>Total Other Current Liabilities</b>	<b>1,031</b>	<b>525</b>
<b>Current Tax Liability</b>	<b>160</b>	<b>-</b>

## Note - 23 Revenue From Operations

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Sales of Vehicles</b>	<b>25,506</b>	<b>26,643</b>
Domestic	23,219	25,504
Export (Including Merchant Export)	2,287	1,139
<b>Sales of Spares</b>	<b>3,131</b>	<b>2,384</b>
Domestic	2,660	2,190
Export (Including Merchant Export)	471	194
<b>Total Revenue from Sale of Products (A)</b>	<b>28,637</b>	<b>29,027</b>
<b>Income from Financing Business (B)</b>	<b>2,031</b>	<b>-</b>

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>Other Operating Revenue</b>		
Export Incentive	79	44
Duty Drawback Income	3	-
Handling Charges Income	1	-
Payout Income	-	55
Freight Income	61	49
Royalty Income	238	336
Technical Service Income	32	9
Jobwork Income	291	46
Scrap Sale	14	8
Documentation and Subvention Income	107	-
Other Income	38	16
<b>Total Other Operating Revenue (C)</b>	<b>864</b>	<b>563</b>
<b>Total Revenue From Operations (A+B+C)</b>	<b>31,532</b>	<b>29,590</b>

## Note - 24 Other Income

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Gain on Sale /Revaluation of Mutual Fund	31	43
Interest on Bank Fixed Deposit	2	7
Insurance Claim Income	1	12
Interest on dealer outstanding	52	11
Interest on PGVCL Deposit	3	1
Interest Income on ICD	6	5
Insurance Commission Income	25	-
Corporate Guarantee Fee	18	75
Profit on Sale of Fixed Assets	2	7
Rent	-	5
<b>Total Other Income</b>	<b>140</b>	<b>166</b>

Refer Note No. 38 for transaction with related parties

Share of Profit from Associate includes share in profit of Khushbu auto finance limited (currently an wholly owned subsidiary) for the period from April 01, 2021 to September 01, 2021, during which the said company was an associate accounted under equity method as per Ind AS 28.

## Note - 25 Cost of Material Consumed

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Consumption of Materials	23,911	23,897
Consumables	46	37
Direct Expenses (Purchase Expenses)	371	338
<b>Total Cost of Material Consumed</b>	<b>24,328</b>	<b>24,272</b>

## Note - 26 Employee Benefit Expenses

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Salary, Wages & Bonus	3,454	3,100
Directors Remuneration	226	194
Contribution to Provident Fund and Gratuity (Note - 37)	315	272
Staff Welfare Expenses	243	208
<b>Total Employee Benefit Expenses</b>	<b>4,238</b>	<b>3,774</b>

## Note - 27 Finance Cost

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Interest on Dealer, IDP and Other Deposits	58	18
Interest on Income Tax	11	4
Interest on Bank Borrowings	627	36
Interest on Lease Liability	1	7
Interest on ICD	28	-
Corporate Guarantee Fees	13	-
Premium on PPS	46	-
Other Financial Expenses	3	-
<b>Other Borrowing Cost</b>		
Loan Processing Fees & Expenses	31	5
Bank Charges	11	18
<b>Total Finance Cost</b>	<b>829</b>	<b>88</b>

## Note - 28 Depreciation & Amortization

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Depreciation on Property, Plant and Equipment	904	604
Amortisation of Intangible Asset	10	-
Depreciation of Right to use Asset	42	49
Depreciation on investment property	6	3
<b>Total Depreciation &amp; Amortization</b>	<b>962</b>	<b>656</b>

## Note - 29 Product Development Expenses

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Product Development Expense	95	186
<b>Total Product Development Expenses</b>	<b>95</b>	<b>186</b>

## Note - 30 Loan, Losses and Provision and Other Expenses

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>(A) Loan, Losses and Provision</b>		
Bad Debts	227	-
Impairment Allowance on Receivables from Financing Activities	974	-
Other Provisions	33	-
<b>Sub Total (A)</b>	<b>1,234</b>	<b>-</b>
<b>(B) Other Expenses</b>		
Advertising & Sales Promotion	1,066	526
Clearing & Forwarding Expenses	2	-
Freight & Forwarding Expense	591	352
Expected Credit Loss	43	260
Travelling & Conveyance	257	203
CSR expenditure	101	144
Power & Fuel	191	139
Repairs to Others	129	126
Testing Expenses	135	125
Legal & consultancy Charges	133	107
Warranty & After Sales Services	462	105
Other Expenses	126	92
Reversal of IDP Commission Expenses	(83)	-
Sourcing and Credit Cost	26	-
Office Admin Expenses	77	65
Recovery Cost	20	-
IT and Communication Cost	12	-
Other Administrative Expenses	2	-
Repairs to Machinery	55	63
Foreign Exchange Rate Difference	22	29
Insurance	32	29
Rates and taxes	47	27
Communication Cost	18	19
Printing & Stationary	13	16
Rent	39	13
Windmill Operation Charges	12	11
Repairs to Buildings	24	10
Director's Sitting Fees	6	8
Payment to Auditor	10	6
Loss on Sales of Assets	-	-
Reversal of Lease Rent	(5)	-
Donation	-	1
<b>Sub Total (B)</b>	<b>3,563</b>	<b>2,476</b>
<b>Total Loans Losses and Provisions and Other Expenses</b>	<b>4,797</b>	<b>2,476</b>

**Payment to Auditor includes**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
For Audit Fee	9	5
For Limited Review	1	1
Reimbursement expense	-	-
<b>Total Payment to Auditor</b>	<b>10</b>	<b>6</b>

**Note - 31 Tax Expenses**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Current tax on profits for the year	294	-
Adjustment for current tax of prior periods	71	(16)
	<b>365</b>	<b>(16)</b>
Deferred Tax	(1,107)	(284)
<b>Total Tax Expenses</b>	<b>(742)</b>	<b>(300)</b>

**Note - 32 Earning Per Share**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Net profit /(loss) as per statement of Profit & Loss	(2,494)	(818)
Weighted average number of shares outstanding during the year (Nos)	21,943,200	21,943,200
Earning per share (Basic & Diluted)	(11.37)	(3.73)
Face Value per Share ₹	5	5

**Note - 33 Contingent Liabilities not acknowledged as Debt**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
<b>A. Disputed Liabilities*</b>		
Sales Tax	27	27
Excise Duty	1	1
Income Tax	50	108
Case Pending before Consumer Forum	52	50
Case filed for Infringement of copyright where company is one of the defendant	200	-
<b>B. Financial Guarantees</b>		
Financial Gaurantees in respect of loan given by finance company to end user - Amount outstanding	6,215	9,409
Financial Gaurantees in respect of loan given by Banks to Subsidiary company - Amount outstanding Amount of Guarantee is ₹13,000 lacs (₹ 11,500 lacs. in F.Y. 2020-21) for Khushbu Auto Finance Limited (Subsidiary w.e.f. 01.9.2021)	4,797	7,022
Amount of Guarantee is ₹ 2,000 lacs (₹ - in F.Y. 2020-21) for Atul Greentech Pvt Ltd	1,653	-
*(Show-cause notices received from various Government Agencies & pending formal demand notices have not been considered as contingent liabilities.)	-	-
<b>Total Contingent Liabilities</b>	<b>12,995</b>	<b>16,617</b>

## Note - 34 Estimated Amount of Contracts Remaining to be Executed on Capital Accounts and Not Provided

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
For Purchase of Assets	1,036	1,208
For Purchase of shares of Khushbu Auto Finance Limited	-	4,457
<b>Total</b>	<b>1,036</b>	<b>5,665</b>

## Note - 35 Corporate Social Responsibility Expenditures

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Amount required to be spent by the company during the year,	90	145
Amount of expenditure incurred,	106	145
Shortfall at the end of the year,	-	-
Total of previous years shortfall,	-	-
Reason for shortfall,	NA	NA
Nature of CSR activities	As below	As below
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard,	Atul Chandra Charitable Trust	-
Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately.	NA	NA
<b>Nature of CSR activities</b>		
Contribution to trusts/associations for education	46	137
Contribution to trusts/associations for national heritage and culture	2	-
Contribution to trusts/associations for promoting cleanliness	-	-
Contribution to trusts/associations for Disaster Management	4	5
Contribution to trusts/associations for promoting healthcare	3	2
Contribution to trusts/associations for Women Empowerment	15	-
Contribution to trusts/associations for Eradicating hunger, poverty	35	-
<b>CSR Expenditure</b>	<b>105</b>	<b>144</b>
Administrative Overheads for CSR activity	1	1
<b>Total CSR Expenditure</b>	<b>106</b>	<b>145</b>

## Note - 36 Exchange Difference Gain/(Loss) Recognised in the Statement of Profit & Loss

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Relating to export during the year as a part of sales / other Income	(18)	(29)
On settlement of other transaction as part of other expenses & import	(2)	-
	<b>(20)</b>	<b>(29)</b>

## Note - 37 Employee Benefits

### (a) Gratuity

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

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

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

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Amount Recognised in Balance Sheet		
Present Value of funded defined benefit obligation	480	549
Fair Value of Plan Assets	(447)	(458)
<b>Net Funded Obligation</b>	<b>33</b>	<b>91</b>
Expense Recognised in the statement of Profit & Loss		
Current Service Cost	46	53
Interest on net defined benefit liability /(assets)	6	8
<b>Total Expense Charged to Profit &amp; Loss</b>	<b>52</b>	<b>61</b>
Amount recorded as other comprehensive income		
<b>Opening amount recognised in OCI outside profit &amp; loss account</b>	<b>(2)</b>	<b>21</b>
Remeasurements during the period due to		
Actuarial (gain)/losses on obligation for the period	(62)	(29)
Actual return on plan assets less interest on plan assets	2	6
<b>Closing amount recognised in OCI outside profit &amp; loss account</b>	<b>(62)</b>	<b>(2)</b>
Reconciliation of net liability/(assets)		
<b>Opening net defined benefit liability/(assets)</b>	<b>91</b>	<b>120</b>
Expense charged to profit & loss account	48	61
Amount recognised outside profit & loss account	(57)	(23)
Employer contributions	(50)	(67)
<b>Closing net defined benefit liability/(assets)</b>	<b>32</b>	<b>91</b>
Movement in benefit obligation		
<b>Opening of defined benefit obligation</b>	<b>549</b>	<b>541</b>
Current Service Cost	46	53
Interest on defined benefit obligation	39	37
Past Service cost	-	-
<b>Remeasurements due to :-</b>		
Actuarial Loss /(gain) arising from change in financial assumptions	(28)	5
Actuarial Loss /(gain) arising on account of experience changes	(35)	(34)
Benefits paid	(91)	(53)
<b>Closing of Defined benefit obligation</b>	<b>480</b>	<b>549</b>

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Movement in Plan Assets		
<b>Opening Fair Value of Plan Assets</b>	458	422
Employer contributions	50	66
Interest on plan assets	31	29
Remeasurements due to :-		
Actual return on plan assets less interest on plan assets	-	(6)
Benefits paid	(91)	(53)
<b>Closing fair value of plan assets</b>	<b>448</b>	<b>458</b>
Disaggregation of Assets		
<b>Category of Assets</b>		
Insurer managed funds	454	458
<b>Grand total</b>	<b>454</b>	<b>458</b>

**Key actuarial assumptions**

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Discount rate (p.a)	7.28%	6.81%
Expected return on plan assets	6.81%	6.88%
Rate of salary Increase	7.00%	7.00%
Rate of employee turnover	for service 4 years and below 15% p.a. and above 2% p.a.	

**Sensitivity Analysis**

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

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

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

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Projected Benefit Obligation on Current Assumptions	497	549
Delta Effect of +0.5% Change in Rate of Discounting	(28)	-
Delta Effect of -0.5% Change in Rate of Discounting	30	-
Delta Effect of +1% Change in Rate of Salary Increase	58	67
Delta Effect of -1% Change in Rate of Salary Increase	(50)	(58)
Delta Effect of +5% Change in Rate of Employee Turnover	11	-
Delta Effect of -5% Change in Rate of Employee Turnover	(5)	-
Delta Effect of +1% Change in Rate of Discounting	-	(62)
Delta Effect of -1% Change in Rate of Discounting	-	74
Delta Effect of +1% Change in Rate of Employee Turnover	-	-
Delta Effect of -1% Change in Rate of Employee Turnover	-	-

**(b) Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund. Amount recognised in statement of Profit & Loss is ₹229 lacs (Previous year ₹196 lacs).

## Note - 38 Related Party Disclosure

(₹ in Lacs)								
Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
<b>Key management personnel and their relatives:</b>								
Krunal J Chandra	Son of Chairman and Managing Director	Short term Employee Benefits	-	-	-	10	1	Cr
Jayantibhai J Chandra	Chairman and Managing Director	Short term Employee Benefits	97	2	Cr	84	4	Cr
Mahendra J Patel	Whole Time Director and Chief Financial Officer	Short term Employee Benefits	85	2	Cr	73	4	Cr
Niraj J Chandra	Whole Time Director	Short term Employee Benefits	48	1	Cr	41	3	Cr
Jitendra V Adhia	Director of Subsidiary Company	Short term Employee Benefits	71	4	Cr	66	4	Cr
Hiren Patel	Director of Subsidiary Company	Short term Employee Benefits	39	3	Cr	39	2	Cr
Alpesh Chandra	Director of Subsidiary Company	Short term Employee Benefits	-	-	-	-	-	-
Paras Viramgama	Company Secretary	Short term Employee Benefits	6	-	-	6	1	Cr
Mahendra Patel	Relative of Director	Purchase of Equity Shares of KAFL (In terms of Memorandum of Understanding (MOU) dated 30.10.2020 and Supplementary MOU dated 10.09.2021)	63	-	-	-	-	-
Manisha Patel	Relative of Director	-do-	69	-	-	-	-	-
Anita N Chandra	Relative of Director	-do-	4	-	-	-	-	-
Jayantibhai J Chandra - HUF	HUF of Chairman and Managing Director	-do-	5	-	-	-	-	-
Mahendrakumar J Patel - HUF	HUF of Whole time Director and Chief Financial Officer	-do-	27	-	-	-	-	-
Ashok Patel	Relative of Director	-do-	8	-	-	-	-	-
Jayantilal Chandra	Relative of Director	-do-	478	-	-	-	-	-

Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
Prafulla Chandra	Relative of Director	Purchase of Equity Shares of KAFL (In terms of Memorandum of Understanding (MOU) dated 30.10.2020 and Supplementary MOU dated 10.09.2021)	32	-	-	-	-	
Tithi K Chandra	Relative of Director	-do-	8	-	-	-	-	
Niraj J Chandra - HUF	HUF of Relative of Director	-do-	22	-	-	-	-	
Krunal J Chandra - HUF	HUF of Relative of Director	-do-	24	-	-	-	-	
Bharat Chandra	Relative of Director	-do-	48	-	-	-	-	
Mahesh Chandra	Relative of Director	-do-	141	-	-	-	-	
Dharmendra Chandra	Relative of Director	-do-	227	-	-	-	-	
Harishkumar J Chandra	Relative of Director	-do-	209	-	-	-	-	
Hiren Patel	Subsidiary's Director	-do-	21	-	-	-	-	
Hirenbhai V Patel - HUF	HUF of Subsidiary's Director	-do-	121	-	-	-	-	
Divya M Chandra	Subsidiary's Director	-do-	38	-	-	-	-	
Yagna M Chandra	Relative of Subsidiary's Director	-do-	38	-	-	-	-	
Vijay K Kedia	Director	-do-	81	-	-	-	-	
Manju Vijay Kedia	Relative of Director	-do-	1,082	-	-	-	-	
Kedia Securities Private Limited	Entity owned and controlled by relative of Key Management Personnel	-do-	339	-	-	-	-	

Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
<b>Other Parties:(Not covered under the definition of 'Related Party' under Companies Act, 2013 but covered under IND AS - 24)</b>								
Meena Patel	Relative of Director	Purchase of Equity Shares of KAFL (In terms of Memorandum of Understanding (MOU) dated 30.10.2020 and Supplementary MOU dated 10.09.2021)	25	-	-	-	-	-
Ashokkumar J Patel - HUF	HUF of Relative of Director	-do-	119	-	-	-	-	-
Kapila Chandra	Relative of Director	-do-	5	-	-	-	-	-
Rekha Chandra	Relative of Director	-do-	39	-	-	-	-	-
Ushaben Chandra	Relative of Director	-do-	20	-	-	-	-	-
Harsha Chandra	Relative of Director	-do-	5	-	-	-	-	-
Manisha Chandra	Relative of Director	-do-	69	-	-	-	-	-
<b>Sitting Fees Paid to other Directors:</b>								
Vijay Kedia	Independent Director	Sitting Fees Paid to Non-Executive Directors	1	-	-	1	-	-
Aarti Juneja	Independent Director	-do-	1	-	-	2	-	-
Mohan Jit Walia	Independent Director	-do-	1	-	-	1	-	-
Jaichander Swaminathan	Independent Director	-do-	1	-	-	2	-	-
Vijay Kumar Goel	Independent Director	-do-	1	-	-	1	-	-
Margie Sunil Parikh	Independent Director	-do-	-	-	-	1	-	-
<b>Other entities:</b>								
Atul Auto Industries	Entity owned and controlled by relatives of key managerial personal	Sale of Raw Material	-	6	Cr	1	13	Cr
		Sale (Inclusive of Tax)	2	-	-	-	-	-
		Other Income	-	-	-	-	-	-
		Purchase of Raw Material Spares	407	-	-	420	-	-

Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
		Purchase of Fixed Asset	2	-	-	7	-	-
		Sale of Asset	-	-	-	2	-	-
		<b>Total</b>	<b>411</b>	<b>6</b>	<b>Cr</b>	<b>430</b>	<b>13</b>	<b>Cr</b>
Atul Motors Private Limited	Entity owned and controlled by relatives of key managerial personal	Purchase of Fixed Asset & other Expense	14	-	Cr	10	-	Cr
		<b>Total</b>	<b>14</b>	<b>-</b>	<b>-</b>	<b>10</b>	<b>-</b>	<b>-</b>
Atul Automotives	Entity owned and controlled by relatives of key managerial personal	other Expense	1	-	Cr	-	-	-
		<b>Total</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Atul Motors Jam LLP	Entity owned and controlled by relatives of key managerial personal	Purchase of Fixed Asset & other Expense	11	-	-	-	-	-
		<b>Total</b>	<b>11</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Khushbu Auto Private Limited	Entity owned and controlled by relatives of key managerial personal	Sale (Inclusive of Tax)	1,942	8	Cr	1,832	-	-
		Warranty Claims/After Sales Service/ PDI/WRC Charges	47	-	-	23	-	-
		Discount on sales vehicle	38	-	-	16	-	-
		Other Expense	1	-	-	1	-	-
		<b>Total</b>	<b>2,028</b>	<b>8</b>	<b>-</b>	<b>1,872</b>	<b>-</b>	<b>-</b>
New Chandra Motor Cycle Agency	Entity owned and controlled by relatives of key managerial personal	Sale (Inclusive of Tax)	174	16	Dr	95	1	Dr
		Warranty Claims/After Sales Service/ PDI/WRC Charges/LGO Meet Exp	4	-	-	2	-	-
		Discount on sales vehicle	1	-	-	1	-	-
		Other Expense	1	-	-	-	-	-
		<b>Total</b>	<b>180</b>	<b>16</b>	<b>-</b>	<b>98</b>	<b>1</b>	<b>-</b>

Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
New Chandra Motor Cycle House	Entity owned and controlled by relatives of key managerial personal	Sale (Inclusive of Tax)	30	-	-	16	4	Dr
		Purchase of Raw Material Spares	1	-	-	3	-	-
		<b>Total</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>19</b>	<b>4</b>	<b>-</b>
Atul Chandra Charitable Trust	Entity owned and controlled by relatives of key managerial personal	CSR amount Spent through Implementing Agency	15	-	-	-	-	-
<b>Group Companies Transactions:</b>								
<b>Khushbu Auto Finance Limited</b>								
Khushbu Auto Private Limited	Entity owned and controlled by relatives of key managerial personal	Inter Corporate Deposits (ICD taken during the year : Rs. 1281 lakhs ICD repaid during the year : Rs. 632 lakhs ICD at the end of the year : Rs. 1079 lakhs)	1,079	1,079	Cr	-	431	Dr
		Interest on Inter Corporate Deposit	45	-	-	-	-	-
Atul Greentech Private Limited	Wholly Owned Subsidiary	Inter Corporate Deposit	1,225	-	-	-	-	-
		Interest on Inter Corporate Deposit	25	-	-	-	-	-
Anita N Chandra	Chief Financial Officer in Subsidiary Company	Short term Employee Benefits	7	-	-	7	-	-
Bhartiben G. Ajudiya	Company Secretary in Subsidiary Company	Short term Employee Benefits	2	-	-	2	-	-
Atul Chandra Charitable Trust	Enterprise Owned or Managed by Relative of Key Management Personnel	CSR Amount Spent Through Implementing Agency	15	-	-	-	-	-

Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
<b>Key management personnel and their relatives:</b>								
<b>Related Party of Parent Entity as per Companies Act, 2013</b>								
Jayantibhai Chandra	Chairman and Managing Director	Issue of Participative Preference Shares of Khushbu Auto Finance Limited (In terms of Memorandum of Understanding (MOU) dated 30.10.2020 and Supplementary MOU dated 10.09.2021)	478	-	-	-	-	-
Anita Chandra	Whole Time Director and Chief Financial Officer of Subsidiary	-do-	4	-	-	-	-	-
Hirenkumar Patel HUF	HUF of Subsidiary's Director	-do-	121	-	-	-	-	-
Jayantibhai Chandra HUF	HUF of Chairman and Managing Director	-do-	5	-	-	-	-	-
Neerajbhai Chandra HUF	HUF of Relative of Director	-do-	22	-	-	-	-	-
Chetankumar Patel HUF	HUF of Subsidiary's Director	-do-	57	-	-	-	-	-
Nandan C Patel	Relative of Director	-do-	19	-	-	-	-	-
Dharmendra J Chandra	Relative of Director	-do-	227	-	-	-	-	-
Krishnaben C Patel	Relative of Director	-do-	6	-	-	-	-	-
Hiren V Patel	Relative of Director	-do-	21	-	-	-	-	-
Maheshbhai J Chandra	Relative of Director	-do-	141	-	-	-	-	-
Bharatbhai J Chandra	Relative of Director	-do-	48	-	-	-	-	-
Alpeshbhai B Chandra	Subsidiary's Director	-do-	308	-	-	-	-	-
Harishbhai J Chandra	Relative of Director	-do-	209	-	-	-	-	-
Chetankumar V Patel	Subsidiary's Director	-do-	69	-	-	-	-	-
Hetal A Chandra	Relative of Director	-do-	47	-	-	-	-	-
Divya M Chandra	Relative of Director	-do-	38	-	-	-	-	-
Yagna M Chandra	Relative of Director	-do-	112	-	-	-	-	-

Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
Ashokkumar Jamnadas Patel	Relative of Director	Issue of Participative Preference Shares of Khushbu Auto Finance Limited (In terms of Memorandum of Understanding (MOU) dated 30.10.2020 and Supplementary MOU dated 10.09.2021)	8	-	-	-	-	-
Krunal Jayantilal Chandra Huf	HUF of Relative of Director	-do-	24	-	-	-	-	-
Patel Mahendrakumar Jamnadas Huf	HUF of Whole time Director and Chief Financial Officer	-do-	27	-	-	-	-	-
Tithi Krunal Chandra	Relative of Director	-do-	8	-	-	-	-	-
Mahendrakumar Jamnadas Patel	Whole Time Director and Chief Financial Officer	-do-	63	-	-	-	-	-
Manishaben Mahendrakumar Patel	Relative of Director	-do-	69	-	-	-	-	-

**Other Parties:****(Not covered under the definition of 'Related Party' under Companies Act, 2013 but covered under IND AS - 24)**

Manishaben A Chandra	Relative of Director	Issue of Participative Preference Shares of Khushbu Auto Finance Limited (In terms of Memorandum of Understanding (MOU) dated 30.10.2020 and Supplementary MOU dated 10.09.2021)	174	-	-	-	-	-
Prafullaben J Chandra	Relative of Director	-do-	32	-	-	-	-	-
Ushaben D Chandra	Relative of Director	-do-	20	-	-	-	-	-
Harshaben H Chandra	Relative of Director	-do-	5	-	-	-	-	-
Kajalben H Patel	Relative of Director	-do-	8	-	-	-	-	-
Rekhaben M Chandra	Relative of Director	-do-	39	-	-	-	-	-
Kapilaben B Chandra	Relative of Director	-do-	5	-	-	-	-	-
Patel Ashokkumar Jamnadas Huf	HUF of Relative of Director	-do-	119	-	-	-	-	-
Minaben Ashokkumar Patel	Relative of Director	-do-	25	-	-	-	-	-

Name of related party	Nature of relationship	Nature of transaction	31-Mar-22			31-Mar-21		
			Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
<b>Atul Green Automotive Private Limited</b>								
Khushbu Auto Private Limited	Entity owned and controlled by relatives of key managerial personal	Inter Corporate Deposits	41	41	Cr	-	-	-
		Interest on Inter Corporate Deposit	3	2	Cr	-	-	-
Atul Greentech Private Limited	Wholly Owned Subsidiary	Support Service Income	-	-	-	51	-	-
<b>Atul Greentech Private Limited</b>								
Gurbeer Singh	Chief Executive Office in wholly owned subsidiary	Short term Employee Benefits	57	4	Cr	56	5	Cr
Divya Chandra	Whole time Director	Short term Employee Benefits	4	1	Cr	-	-	-
Khushbu Auto Finance Limited	(Upto 31.08.2021 the company was an Associate Company & w.e.f. 01.09.2021 the company has become the Wholly Owned Subsidiary Company)	Inter Corporate Deposit Repaid During Year	-	-	-	-	-	-
		Interest on Inter Corporate Deposit	44	-	-	-	-	-
Atul Green Automotive Private Limited	Wholly Owned Subsidiary	Support Service Expenses	-	-	-	51	-	-

## Note - 39 Financial Instruments

### a. Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concern, while maximising the return to stakeholders through efficient allocation of capital towards expansion of business, optimisation of working capital requirements. The Company is currently utilizing term loan to meet long term requirements and have adequate sanctioned limits available to meet its short term capital requirements. The Company is not subject to any externally imposed capital requirements. The management of the Company reviews the capital structure of the Company on regular basis.

The following table summarises the capital of the Company

	(₹ in Lacs)	
Particulars	31-Mar-22	31-Mar-21
Equity Share Capital	1,097	1,097
Other Equity	26,562	28,885
<b>Total Equity</b>	<b>27,659</b>	<b>29,982</b>
Term Loan	13,080	1,500
Working Capital Loan	5,674	-
<b>Total Debt</b>	<b>18,754</b>	<b>1,500</b>
<b>Debt to Equity Ratio</b>	<b>67.80%</b>	<b>5.00%</b>

### b. Category-wise classification for applicable financial assets

	(₹ in Lacs)		
Sr No	Particulars	31-Mar-22	31-Mar-21
<b>I</b>	<b>Measured at fair value through Profit or Loss (FVTPL):</b>		
	Investment in Mutual Fund	-	1,050
		-	<b>1,050</b>
<b>II</b>	<b>Measured at amortised cost:</b>		
	Trade Receivable	2,148	2,373
	Cash & Cash Equivalents	622	729
	Loans to Staff	76	7
	Inter corporate Deposit	41	-
	Receivable under Financing Activities	15,156	-
	Balance in Unpaid Dividend	21	28
	Investment in Fixed Deposits	39	151
	Other Income Receivable	98	113
		<b>20,321</b>	<b>3,401</b>
		<b>20,321</b>	<b>4,451</b>

### c. Category-wise classification for applicable financial liabilities

	(₹ in Lacs)		
Sr No	Particulars	31-Mar-22	31-Mar-21
<b>I</b>	<b>Measured at amortised cost:</b>		
	Term Loan	13,080	1,500
	Working Capital Loan	5,674	-
	Lease Liability	37	69
	Trade Payable	4,287	4,815
	Unpaid Dividend	21	28
	Outstanding Expenses	1,043	807
	Dealer's Deposits	611	547
		<b>24,753</b>	<b>7,766</b>

## Note - 40 Fair Value Measurement

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

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

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

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

During the year under consideration there is no transfer between level 1, level 2 and level 3 hierarchy.

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
<b>Level -I</b>		
<b>Financial Investment at FVTPL</b>		
Investment in Mutual Fund	-	1,050
<b>Level -II</b>	-	-
<b>Level -III</b>	-	-
<b>Total</b>	-	<b>1,050</b>

### Valuation Techniques used to Determine Fair Value :-

Mutual funds are valued at the price quoted in active market at the closing of reporting date.

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

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

## Note - 41 Financial Risk Management Objectives and Policies

### Financial risk management objectives

The Company's management monitors and manages the financial risks relating to the operations of the Company. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The Company's risk management is done in close co-ordination with the board of directors and focuses on actively securing the Company's short, medium and long-term cash flows by minimizing the exposure to volatile financial markets. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The most significant risks to which the Company is exposed are described below

Risk	Exposure Arising From	Measurement	Management
Credit Risk	Cash and cash equivalents, financial assets and trade receivables	Aging analysis/Credit Rating	Analysis of no. of overdue days and track record of debtors. Levy of interest on overdue balances of trade receivables
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cash equivalents and marketable investments
Interest Risk	Bank Borrowing	External Benchmark Interest Rate	Maintaining lower lever of leverage and negotiation with banker for interest rates
Market Risk- Foreign Exchange	Trade receivable from export transaction and trade payable for import transaction	Sensitivity analysis	Export of goods shall be made after receiving payments from customer and in other case original Bill of landing is held by company till payment received.

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

### Credit Risk :-

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

### Credit Risk Management

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

### Reconciliation of Provision for Expected Credit Loss – Trade Receivable

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Loss allowance at the beginning of the year	524	263
Addition in loss allowance during the year	43	261
Loss allowance as at the end of the year	567	524

### Liquidity Risk :-

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

(₹ in Lacs)

Particulars	31-Mar-22	31-Mar-21
Net working capital funds	3,103	3,024
Which includes;		
i. Cash & Cash Equivalents	622	729
ii. Current Investment	-	1,050

### Contractual maturities of significant Financial Liabilities as on 31 March 2022 & 31 March 2021:

#### Maturities of Financial Liabilities

(₹ in Lacs)

Particulars	Less than & equal to 1 Year	More than 1 Year	Total
<b>As at 31 March 2022</b>			
Trade Payable	4,287	-	4,287
Other Financial Liabilities	1,797	190	1,987
Term Loan	714	12,366	13,080
Working Capital Loan	5,674	-	5,674
Lease Liabilities	16	21	37
	<b>12,488</b>	<b>12,577</b>	<b>25,065</b>
<b>As at 31 March 2021</b>			
Trade Payable	4,650	-	4,650
Other Financial Liabilities	1,536	-	1,536
Term Loan	-	1,500	1,500
Lease Liabilities	28	41	69
	<b>6,214</b>	<b>1,541</b>	<b>7,755</b>

### Interest Risk

Company has obtained Term Loan from Exim Bank. Interest Risk refers to change in interest rate due to change in benchmark interest rate in case of floating rate loan. As at 31st March, 2022 company's borrowing carries fixed interest rate hence, there will be no impact on the profitability of the company due to change in external benchmark interest rate.

## Market Risk :-

### Foreign Currency Risk

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

### Open Exposure

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

Particulars	(₹ in Lacs)	
	31-Mar-22	31-Mar-21
Receivable (Amount in USD)	2	9
Payable (Amount in USD)	-	-
Receivable (Amount in Euro)	-	-
Payable (Amount in Euro)	2	7

Particulars	Currency	Change in Rate	(₹ in Lacs)
			Effect on PBT/ Pre-Tax Equity
Year Ended March 31, 2022	US\$	+10%	15
	US\$	-10%	(15)
Year Ended March 31, 2022	Euro	+10%	13
	Euro	-10%	(13)
Year Ended March 31, 2021	US\$	+10%	68
	US\$	-10%	(68)
Year Ended March 31, 2021	Euro	+10%	62
	Euro	-10%	(62)

## Note - 42 Code on Social Security

The Code on Social Security, 2020 which received the President's assent on 28th September 2020 subsumes nine laws relating to Social security, retirement and employee benefits, including the Provident Fund and Gratuity. The effective date of the Code and rules thereunder are yet to be notified. The impact of the changes, if any, will be assessed and recognised post notification of the relevant date.

## Note - 43 Impact of COVID-19

The Company has considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivable and Other Current Assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of this pandemic, the company, as at the date of approval of the financial statement, has used external and internal sources of information/ indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered. Hence, company has estimated nil impact of COVID-19 in the financial statement for year ended 31st March, 2022. The impact of the COVID-19 on the Company's Audited Financial Statement may differ from that estimated as at the date of approval of these statements.

## Note - 44 Other Regulatory Notes

1. The Title deeds of the immovable properties (other than Common Approach Road As referred to Note No 2 & other properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
2. As per the Company's accounting policy, Property, Plant and Equipment (including Right of Use Assets) and intangible assets are carried at historical cost (less accumulated depreciation & impairment, if any), hence the revaluation related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.

3. The Company has not granted Loans or Advances in the nature of loan to any promoters, Directors, KMPs and the related parties (As per Companies Act, 2013) , which are repayable on demand or without specifying any terms or period of repayments.
4. No proceedings have been initiated or pending against the Company for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder.
5. The Company has sanctioned facilities from banks on the basis of security of current assets. The periodic returns filed by the Company with such banks are in agreement with the books of accounts of the Company.
6. The Company has adhered to debt repayment and interest service obligations on time. Wilful defaulter related disclosures required as per Additional Regulatory Information of Schedule III (revised) to the Companies Act, is not applicable.
7. There are no transactions with the Companies whose name are struck off under Section 248 of The Companies Act, 2013 or Section 560 of the Companies Act, 1956 during the year ended 31st March 2022.
8. All applicable cases where registration of charges or satisfaction is required to be filed with Registrar of Companies have been filed. No registration or satisfaction is pending at the year ended 31st March 2022.
9. The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.
10. No scheme of arrangement has been approved by the competent authority in terms of Section 230 to 237 of the Companies Act, 2013.
11. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiary
12. The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
13. The Company has not operated in any crypto currency or Virtual Currency transactions
14. During the year the Company has not disclosed or surrendered, any income other than the income recognised in the books of accounts in the tax assessments under Income Tax Act, 1961.

## Note - 45 Ratios

Ratio	Numerator	Denominator	Numerator (in Lacs)	Denominator (in Lacs)	FY 21-22	Numerator (in Lacs)	Denominator (in Lacs)	FY 20-21	% of Variance
A. Current Ratio	Current Assets	Current Liabilities	17,157	14,411	1.19	10,041	7,165	1.40	(15.04%)
B. Debt-Equity Ratio	Borrowings + Interest Accrued	Total Equity	18,754	27,659	0.68	1,500	29,982	0.05	1255.24%
C. Debt Service Coverage Ratio	Earnings for Debt Service = Net Profit after Taxes + Non-cash operating expenses like depreciation and other amortizations + Interest + Other Adjustments like loss on sale of Fixed Assets etc.	Debt Service = Interest & Lease Payments + Principal Repayments	(703)	857	(0.82)	(74)	133	(0.56)	47.30%
D. Return on Equity Ratio	Net Profit After Taxes	Average Shareholder's Equity	(2,494)	28,821	(8.66%)	(818)	29,834	(2.74%)	215.67%
G. Trade Payables Turnover	Net Credit Purchases	Avg Trade Payables	23,906	4,384	5.45	24,227	4,271	5.67	(3.87%)
H. Net Capital Turnover Ratio	Net Sales	Net Working Capital	31,532	2,811	11.22	29,590	4,769	6.21	80.75%
I. Net Profit Ratio	Net Profit	Net Sales	(2,494)	31,532	(7.91%)	(818)	29,590	(2.76%)	186.17%
J. Return on Capital Employed	Earning before interest & taxes	Capital Employed	(2,461)	46,413	(5.30%)	(1,256)	31,482	(3.99%)	32.90%
K. Return on Investment	{MV(T1) - MV(T0)+ Sum [C(t)]}	{MV(T10) + Sum [W(t)* C(t)]}	29	1,006	2.88%	41	1,405	2.92%	(1.21%)

- Till 31st March, 21 group has incurred capital expenditure from its own fund and obtained Term Loan only of ₹1,500 Lacs in holding company. During the year, group obtained further Term Loan as reimbursement of capital expenditure for expansion project of holding company and obtained term loan for setting up of battery management plant in subsidiary company. Further, during the year group acquired 70% equity shares of KAFL which resulted in KAFL being wholly owned subsidiary of the group. Hence, as at March 31, 2022 balance sheet of KAFL is consolidated on line to line basis which has resulted in increase in debt as compared to previous year. Further group has also obtained working capital loan for its working capital purpose.
- On account of pandemic overall demand in the industry has been dropped and it has impacted the volume of sales of the company.
  - Further the composition within sales mix has changed for the industry as well as for the company
  - During the year commodity prices were volatile
  - Further during the year company has capitalized its Phase-1 of Ahmedabad Plant, Hence depreciation and other fixed expenses has increased
  - Company has obtained borrowing of ₹7500 Lacs which has resulted in finance cost of the company
- As at March 31, 2022 group has consolidated financials of KAFL on line to line basis. KAFL is Non Banking Finance Company and its income from operation is finance income only. Hence, ratios based on sales are not comparable with previous years ratios.

## Note - 46 Segment Reporting

(₹ in Lacs)

Sr No	Particulars	For Year Ended	
		March 31, 2022 (Audited)	March 31, 2021 (Audited)
<b>1</b>	<b>Segment Revenue</b>		
	A) Automotive Vehicles and Parts	29,346	9,167
	B) Non Banking Financial Business	2,161	-
	<b>Total Revenue from Operations</b>	<b>31,507</b>	<b>9,167</b>
<b>2</b>	<b>Segment Results</b>		
	<b>Profit before tax and Interest</b>		
	A) Automotive Vehicles and Parts	(2,938)	(654)
	B) Non Banking Financial Business	514	-
	<b>Total</b>	<b>(2,424)</b>	<b>(654)</b>
	Less: i) Finance Cost	854	-
	ii) Intersegment Profits	12	-
	<b>Profit Before Tax</b>	<b>(3,290)</b>	<b>(654)</b>
<b>3</b>	<b>Capital Employed</b>		
	A) Automotive Vehicles and Parts	20,945	38,753
	B) Non Banking Financial Business	6,714	-
	<b>Total</b>	<b>27,659</b>	<b>38,753</b>

## Note - 47 Others

Previous year figures are regrouped, re arranged & re casted wherever necessary.

# FORM AOC-1

## Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Part A: Subsidiaries

				(₹ in Lacs)
Sr. No.	Particulars	1	2	3
1)	Name of the subsidiary	ATUL GREEN AUTOMOTIVE PRIVATE LIMITED (Incorporated on February 12, 2018)	ATUL GREENTECH PRIVATE LIMITED (Incorporated on January 28, 2020)	KHUSHBU AUTO FINANCE LIMITED (Become Wholly owned subsidiary on September 01, 2021)
2)	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	March 31, 2022 (Same as Holding Company)	March 31, 2022 (Same as Holding Company)	March 31, 2022 (Same as Holding Company)
3)	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable	Not Applicable	Not Applicable
4)	Share capital	45	1,000	5,768
5)	Reserves & surplus	1	(41)	4,274
6)	Total assets	58	3,328	18,101
7)	Total Liabilities	11	2,370	8,109
8)	Investments	Nil	266	Nil
9)	Turnover	196	Nil	3,059
10)	Profit before taxation	2	(32)	207
11)	Provision for taxation	1	6	56
12)	Profit after taxation	1	(26)	161
13)	Proposed Dividend	Nil	Nil	Nil
14)	% of shareholding	100%	100%	100%

#### Notes:

- 1) M/s. Atul Greentech Private Limited was incorporated on January 28, 2020 and is yet to start commercial production
- 2) M/s. Khushbu Auto Finance Limited ("KAFL") has become wholly owned subsidiary of the Company after completion the acquisition of 70% equity share capital of KAFL on September 01, 2021. Before the acquisition, the Company was holding 30% equity share capital of KAFL
- 3) Names of subsidiaries which have been liquidated or sold during the year - None

**Part B: Associates and Joint Ventures**

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sr. No.	Particulars	1
1)	Name of the associate	None
2)	Shares of Associate held by the company on the year end	
	i) No.	-
	ii) Amount of Investment in Associates	-
	iii) Extend of Holding %	-
3)	Description of how there is significant	-
4)	Reason why the associate is not consolidated	-
5)	Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs.) (as per financial statement prepared in accordance with generally accepted accounting principles in India (Indian GAAP)	-
6)	i) Considered in Consolidation (As per financial statements are prepared in accordance with Indian Accounting Standard (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015.	-
	ii) Not Considered in Consolidation	-

**Notes:**

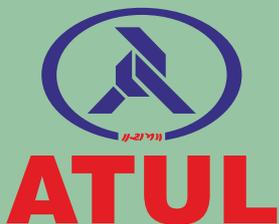
- i) Names of associates or joint ventures which are yet to commence operations - None
- ii) Names of associates or joint ventures which have been liquidated or sold during the year - None
- iii) The Company do not have any Joint Venture.

**Jayantibhai J Chandra**  
Chairman and Managing Director  
DIN : 00057722

**Mahendra J Patel**  
Whole time Director & CFO  
DIN : 00057735

**Paras Viramgama**  
Company Secretary

Shapar (Dist. Rajkot)  
August 13, 2022



## **ATUL AUTO LIMITED**

CIN: L54100GJ1986PLC016999

Survey No. 86. Plot No. 1-4, 8B National Highway,  
Nr. Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, India 360024

T: +91 2827 235500 | Email: [investorrelations@atulauto.co.in](mailto:investorrelations@atulauto.co.in)

Web: [www.atulauto.co.in](http://www.atulauto.co.in) | Customer Care No. +91 63 57 399799