



**FAST**   
**FORWARD**

**ATUL AUTO LIMITED**  
ANNUAL REPORT 2018-19

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





**When you keep forging ahead with the same commitment and drive, success becomes a habit. Thus leaving behind a trail of successes, milestones and landmarks that inspire the next generation of achievements. At Atul, we are fast forwarding to such a future every day.**

As India accelerates towards new horizons, Atul is moving on a path that will lead us and the country towards new avenues of growth and expansion. Through innovation, ingenuity and insight, we are going full steam ahead towards our mission.

Even as global conditions remain challenging, for us it is an opportunity to shift to higher gear. By creating new thinking in new markets and introducing a new range of electric vehicles besides our Diesel, Petrol, LPG and CNG variants, we are constantly meeting new challenges head on.

That is what makes us ready for the new age.

The future is full of opportunities, and Atul is taking the road to greater exploration. We are accelerating ahead with the same passion and perseverance to go bravely into a brighter future.



# **NO. 1** **POSITION**

Continued to maintain No. 1 position in Diesel 3-Wheeler segment in Gujarat



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# *AT A GLANCE*

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**Leaders achieve greatness, because they persist on the path to success, no matter how tough the odds. Emerging from the challenging business environment of last year, we have realigned our growth journey this year, ascending to new levels of achievement, inspiration and impact.**

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In spite of the challenging business environment and structural reforms, your Company delivered strong double digit growth performance as committed during this financial year. Our various initiatives have made us more agile, customer centric and responsive to the diverse and rapidly evolving marketplace. Accelerating the growth momentum of previous fiscal 2017-18, we have attained both topline growth and margin improvement.

In the year under review, our business turnover on comparable basis, grew by 19.97% driven by volume growth of 17.09% (50,049 vehicles in FY 2019 against 42,744 vehicles in FY 2018). And despite the uphill circumstances, profit after tax grew by 15% to Rs. 53.12 crores and a strong track record of cash generation was also sustained.

The Company also made a sizeable progress in international market with an increase of export sales from 3,411 vehicles to 5,536. We foresee that efforts seeded are in the right direction and it as an important contribution for

the future growth of the Company

As a forward looking company we are planning for the future today and continue to differentiate ourselves from others with our strong R&D tradition and foundations. With strong R&D support, the company has upgraded its manufacturing set up and made the required strategic tie-ups to firmly move towards transforming the product compliance with BS VI norms. The introduction of Green 3Wheeler last year was the beginning of a new era for the industry as well as for us. We have accelerated to innovate and invest behind these emerging categories with excellent results and believe that the electric vehicles are the future of automobile sector.

During FY 2019, the Company could enter in newer locations like Ethiopia, Cambodia, Myanmar, Bolivia, Somalia etc. with increasing its sales in existing markets like Nepal, Ecuador, Mexico, Iraq etc.

**50,153  
VEHICLES  
MANUFACTURED**

during 2018-19



# ***OUR 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.







# *OUR 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.



**₹745.96 Cr**  
**MARKET**  
**CAPITALIZATION**  
as on March 31, 2019

# OUR DIVERSIFIED PORTFOLIO OF PRODUCTS

**ATUL**  
**Shakti**  
3-WHEELERS  
FRONT ENGINE



PASSENGER 6+1



HIGH DECK



DELIVERY VAN

**ATUL**  
**GEM**



PASSENGER 3+1



HIGH DECK



CARGO

**ATUL**  
**Gemini**



PASSENGER 3+1



CARGO



PASSENGER 3+1

**ATUL**  
**Elite**  
e-Rickshaw



PASSENGER



CARGO



DELIVERY VAN

ATUL is accelerating ahead with greater passion and perseverance to go bravely into a brighter future.

**50,049**  
VEHICLES  
SOLD

Available in PETROL • DIESEL • LPG • CNG • ELECTRIC



# OUR PRESENCE

## OVERSEAS PRESENCE

Our petrol/CNG variant not only widens our product basket and plugs a long-standing gap in our product portfolio, it also enables us to gain access to major export markets across the globe.

## 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.

Mexico

Guatemala

Honduras

Ecuador

Peru

Bolivia

United Kingdom

Liberia

Ghana

INTERNATIONAL  
presence in  
20+ countries  
and growing

DOMESTIC  
Pan-India  
Dealer network





***CORPORATE  
INFORMATION***

**BOARD OF DIRECTORS**

Jayantibhai J Chandra  
Chairman and Managing Director

Mahendra J Patel  
Whole-time Director & CFO

Niraj J Chandra  
Whole-time Director

Dr. Vijay K Kedia  
Non-Executive Director

Hakubhai J Lalakiya<sup>\*</sup>  
Independent Director

Hasmukh H Adhvaryoo<sup>#</sup>  
Independent Director

Hemantkumar J Bhatt<sup>\*</sup>  
Independent Director

Dr. Margie S Parikh  
Independent Director

Aarti J Juneja<sup>§</sup>  
Independent Director (Additional)

Mohanjit Singh Walia<sup>%</sup>  
Independent Director (Additional)

Dr. Jaichander Swaminathan<sup>^</sup>  
Independent Director (Additional)

\* Continue upto 11.08.2019

# Ceased from 17.07.2019

§ Appointed from 09.02.2019

% Appointed from 10.08.2019

^ Appointed from 26.08.2019

**AUDIT COMMITTEE**

CA Hemantkumar J Bhatt, Chairman  
Hakubhai J Lalakiya  
Dr. Margie S Parikh  
Aarti J Juneja

**NOMINATION AND  
REMUNERATION COMMITTEE**

Hasmukh H Adhvaryoo, Chairman  
Hakubhai J Lalakiya  
Dr. Margie S Parikh  
Aarti J Juneja

**STAKEHOLDERS RELATIONSHIP  
COMMITTEE**

Dr. Margie S Parikh, Chairperson  
CA Hemantkumar J Bhatt  
Hasmukh H Adhvaryoo  
Aarti J Juneja

**CSR COMMITTEE**

Jayantibhai J Chandra, Chairman  
Hakubhai J Lalakiya  
Hasmukh H Adhvaryoo

*Committee Composition as of March 31, 2019*

**STATUTORY AUDITORS**

Kamlesh Rathod & Associates  
Chartered Accountants

**COMPANY SECRETARY  
AND COMPLIANCE OFFICER**

Paras J. Viramgama

**REGISTERED OFFICE &  
MANUFACTURING FACILITY**

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

**REGISTRARS &  
SHARE TRANSFER AGENT**

Sharex Dynamic (India) Private Limited  
C101, 247 Park, LBS Marg, Vikhroli West,  
Mumbai, Maharashtra, India 400 083  
Phone : 022-2851 5606, 2851 5644  
E-Mail : support@sharexindia.com  
Website : www.sharexindia.com

**BANKERS**

IDBI Bank  
EXIM Bank

**STOCK EXCHANGES**

BSE Limited  
Script Code - 531795  
National Stock Exchange of India Limited  
Script Symbol - ATULAUTO

**900+**  
**EMPLOYEE**

# **MANAGEMENT TEAM**



**Jyantibhai J Chandra**  
Chairman & Managing Director



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



**Dr. Margie S. Parikh**  
Independent Director



**Mohanjit Singh Walia**  
Independent Director



**Aarti J Juneja**  
Independent Director



**Dr. Jaichander Swaminathan**  
Independent Director





**Niraj J Chandra**  
Whole-time Director



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



**J V Adhia**  
President - Accounts & Finance



**A Padmanabhan**  
Mentor



Dear Shareholders,

**Atul is on an accelerated growth path. Your company crossed new milestones, accelerated across international shores, marched towards a greener future and built the base to leapfrog into a new future of growth.**

I am glad to report that 2019 has been a breakthrough year for Atul. We remained steadfast in our commitment to create value for customers and investors through innovative thinking, long-term strategies and planned tactical moves.

For the very first time, the Company crossed the sales figure of 50,000 units by selling 50,049 vehicles in FY 2018-19. On the financial metrics we achieved our highest ever turnover of Rs.661.35 Cr, while Net Profit increased by 15% to Rs.53.12 cr (Previous Year Rs.46.19 Cr).

#### **New Milestones across Shores**

For the past several years, we have been working hard to create a strong, competitive business edge around the world. Penetrating further with planned strategies, we have now expanded our market reach across 20+ Countries and are expanding our reach even further.

Our export sales received a boost from 3411 Units last year to 5536 Units in FY 2018-19. During the year, 9.68% of our revenues were derived from our exports. Further strengthening and accelerating this strong growth across international markets will remain a strong focus at Atul in the coming years.

#### **Ready For the Future**

Even as it is challenging for the whole automobile industry, we look at compliance to BS VI emission norms as an immense opportunity to innovate. We are in the process of being prepared for these challenges that will enable us to move up in the 3-wheeler technology world.

That is why we look at our strategic and continued investment in innovative technology as a key driver for our improved competitive position. Our technical team is adequately equipped and has set out a clear roadmap to meet the BS VI emission standards, which go in to effect from April 01, 2020.

#### **An Electrifying Journey**

The future belongs to the Electric Vehicle. Even as the Government is taking firm steps towards transition from conventional to electric vehicle, we are already ahead of the curve through our 'E-vehicle' platform. Towards this we have already designed the "Elite" range of electric vehicles to meet the needs of the passenger as well as cargo segments.

This is the result of our strong and ever expanding investment in Research & Development that is aimed at creating breakthroughs.

Besides being well positioned in the race for this future of mobility, we are also augmenting technology to ensure there would be no compromise on performance or drivability. Besides having a low operating cost and being pollution free, our new models will have further upgraded features and will be powered with Lithium-ion Battery.

#### **Green Field Project Expansion**

As the future approaches, we are scaling up our capacity and optimizing production to be ready for any new challenges. Our new chapter in growth is taking shape in the form of our green field plant, which is under construction at Bhayla, Ahmedabad.

To be ready by the beginning of FY 2020-21, this plant will expand our Capacity to 1,20,000 Units. This plant will add a big boost to our capabilities and empower us to take bolder leaps into the future.

#### **Vote of thanks**

The Atul Family is a proud group of people who work tirelessly day in day out to ensure that we all win together. Each one of us has played a pivotal role in making every success possible. The contribution of every team member is highly valued and commendable.

On behalf of my colleagues and every one at Atul, I would like to express my special thanks to my Retiring Directors Mr. Hakubhai Lalakiya, Mr. Hasmukhbhai Adhvaryoo, Mr. Hemantkumar Bhatt for their valuable contribution as Independent Directors. I also take this opportunity to welcome Ms. Aarti Juneja, Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan as the new Independent Directors of the Atul team.

We have set our sights high and aim to lead with greater innovation and stronger financial performance. Fully committed and brimming with confidence, I am sure that together we will accelerate into the future together as a team and conquer any terrain in any market.

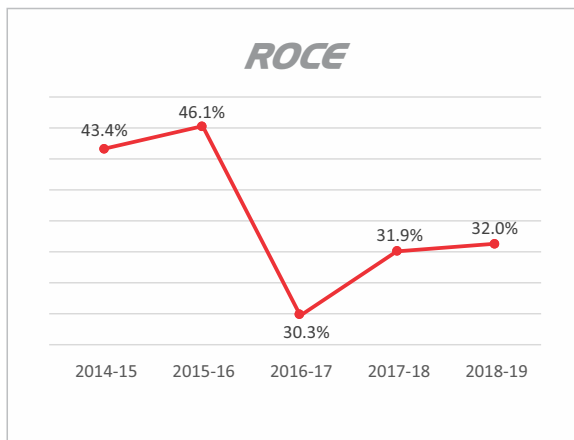
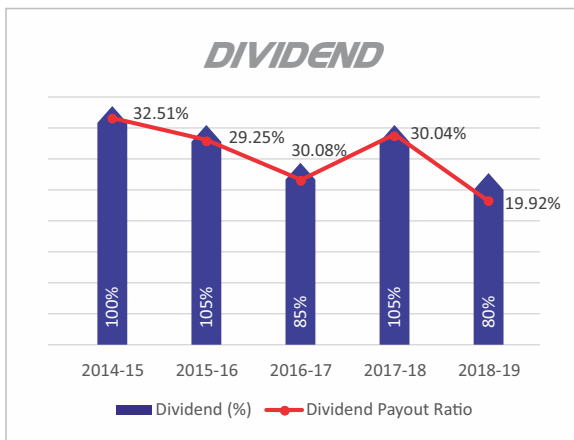
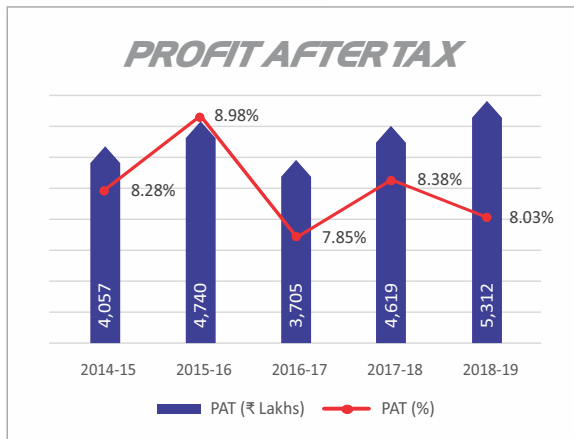
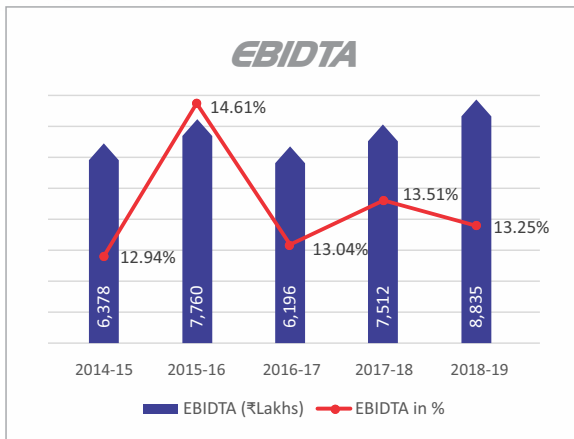
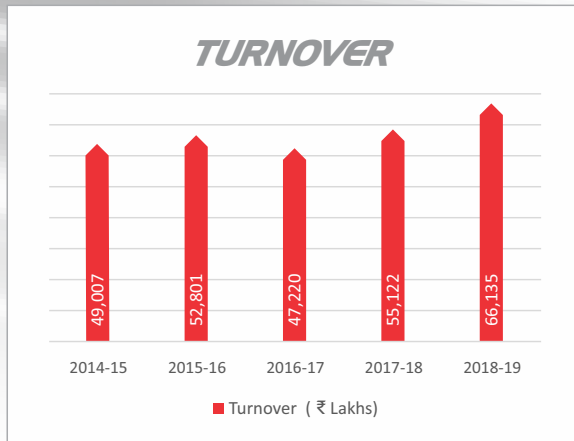
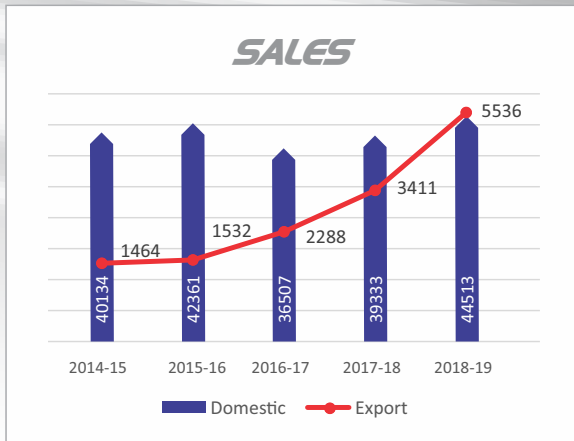


**J J Chandra**  
Chairman and Managing Director

A black and white photograph of a middle-aged man with a mustache, wearing a dark suit and tie, sitting at a desk. He is looking towards the camera with a slight smile. On the desk in front of him is a laptop, a telephone, and some papers. The background shows office blinds and a wall with electrical outlets. The entire image has a blue gradient overlay.

# ***CHAIRMAN'S LETTER***

# KEY TRENDS



# FINANCIAL SCORECARD

(Rs. in Lacs except per share data, ratio and vehicles)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17*	2017-18*	2018-19*
No. of vehicles sold	12,329	19,404	27,000	32,040	37,557	41,598	43,893	38,795	42,744	50,049
Total Revenue	12,108	20,266	29,942	36,582	43,306	49,866	53,236	47,779	55,855	67,363
Turnover (Net of Excise Duty & GST)	11,920	20,107	29,798	36,286	42,926	49,007	52,801	47,220	55,122	66,135
Profit before tax (PBT)	715	1,406	2,324	3,722	4,275	5,925	7,153	5,610	6,943	8,195
Profit before tax (%)	6.00%	6.99%	7.80%	10.26%	9.96%	12.09%	13.55%	11.88%	12.60%	12.39%
Profit after tax (PAT)	454	943	1,559	2,592	2,979	4,057	4,740	3,705	4,619	5,312
Net Profit Ratio	3.81%	4.69%	5.23%	7.14%	6.94%	8.28%	8.98%	7.85%	8.38%	8.03%
EBDITA (in Lacs)	1,420	2,006	2,814	4,206	4,831	6,378	7,760	6,196	7,512	8,835
EBDITA Margin (%)	11.85%	9.95%	9.42%	11.56%	11.23%	12.94%	14.61%	13.04%	13.51%	13.25%
Paid up Share Capital (Equity)	585	585	731	1,097	1,097	1,097	1,097	1,097	1,097	1,097
Free Reserves & Surplus	2,726	3,397	4,824	6,280	8,297	10,956	14,310	17,327	20,842	24,763
Debt	2,317	600	389	-	-	-	-	-	-	-
Equity / Shareholders' Fund	3,311	3,982	5,555	7,377	9,394	12,053	15,407	18,425	21,939	25,860
Earnings per Share (Face Value Rs. 5)	2.59	5.37	8.26	11.81	13.58	18.49	21.60	16.88	21.05	24.21
Dividend %	20%	40%	50%	60%	75%	100%	105%	85%	105%	80%
Dividend Pay out Ratio	30.18%	28.85%	27.26%	29.71%	32.32%	32.51%	29.25%	30.08%	30.04%	19.92%
Market Capitalization	2,619	6,788	8,393	16,238	39,459	1,22,125	1,13,359	1,02,464	96,813	74,596
No of vehicles manufactured	12,379	19,321	27,563	32,013	37,447	41,565	44,232	38,981	42,660	50,153
Capacity Utilisation (Installed Capacity: 24,000 units upto FY 2011-12, 36,000 units in FY 2012-13, 48,000 units upto FY 2014-15 and 60,000 units from FY 2015-16 Onwards)	51.57%	80.50%	114.85%	88.90%	78.01%	86.59%	73.72%	64.96%	71.10%	83.59%

\* Figures for these periods are as per IND AS and Schedule III of the Companies Act, 2013. Total revenue for the periods prior to GST implementation have been adjusted suitably for Excise duty on sale of goods, to enable comparability of Revenue from operations for these periods. Hence these figures are not strictly comparable.



# ***PERCEPTION***

***INSIGHT &  
FORESIGHT***

**KEY FOCUS AREAS**

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Intellect is an act of dissecting a 'thing' and making is better. But having insight is an art that makes sense of how that 'thing' can help fulfill needs of people and the need of the times.

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The very foundation and core philosophy of Atul is a deep insight into the needs of people. Back in the 1970's, when transportation was a problem in rural areas, one man had the insight to create a vehicle that became a way of life for the people of Saurashtra – the iconic 'chhakada'.

Today 4 decades later, this philosophy of insight and perception has led us to become a torchbearer of new age 3-wheelers. We are emerging with new vibrancy and energy as a powerful company with vehicles across the entire fuel range – Petrol, Diesel, CNG, LPG and Electric.

Our insight is leading us to be future ready, both on a manufacturing and operational front. Our state-of-the-art plant will be developed over 55+ acres land, will have a 1.20 Lacs units per annum production capacity in phased manner and is equipped with top-of-the-line technologically advanced facilities.

**We are among the fastest growing 3 wheeler companies in India, with a Pan-India presence. The company is also expanding with dealership, sales, services and spare parts network across 20+ countries.**



**DESIGNED TO BE THE PEOPLE'S CHOICE**

## KEY FOCUS AREAS

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At today's speed of change, creating something new takes more than just thinking out of the box. It takes a transformational shift in approach, a rethink of the status-quo that creates meaningful impact on everyday lives of people. We call that Innovation.

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Atul is on a mission of transformation in three-wheeler transportation. Over the last few decades we have defined our success by the level of our innovation fitness.

Towards this we are rethinking technology, product features and fuel platforms to stay ahead of the innovation curve. This means doing deeper R&D to meet customer requirements, customer comfort, safety, mileage, technology upgradation, improving production quality etc.

Our R&D efforts are ensuring that we are ready for the future. After making our vehicles BS IV compliant in FY 2017, we are strategically moving towards compliance with BS VI norms.

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## MANUFACTURING BS IV COMPLIANT VEHICLES AND GETTING BS VI READY



BEING FUTURE READY



# ***INNOVATION***

***RESEARCH AND  
DEVELOPMENT***





As the world and India faces pollution and energy challenges, the need go for greener mobility is more pertinent than ever. This is our opportunity to address unprecedented challenges facing the planet and humanity.

Atul's is a journey of dreamers and doers. This is reflected in our ability to meet challenge of future mobility head on, through the introduction of our 'E-vehicle' platform. Our mission is to build vehicles that deliver great value to customers and deliver zero carbon emissions for a greener India.

# *INNOVATION FOR* *A GREENER* *TOMORROW*

**Exclusive Electric Passenger and Cargo Vehicles**

Called the "Elite" range, these vehicles have been designed to meet the needs of the passenger as well as cargo segments and come in customizable configurations.

Atul is committed to the Government's mission of faster adoption and manufacturing of (Hybrid &) Electric Vehicles (FAME) and is going all out to push further in this direction. The introduction of Green 3 Wheelers is the start of a new era for the industry and Atul.



KEY FOCUS AREAS

ATUL //  
**Elite**  
e-Rickshaw

The future is Electric



**ZERO  
CARBON**  
EMISSIONS FOR  
A GREENER INDIA

## KEY FOCUS AREAS

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The real purpose of a vehicle is fulfilled when it helps to make the dreams of the end users come true. That means deeply understanding the lives of customers, it means creating products that are agile and flexible to their needs.

---

Atul vehicles have created a unique niche due to their blend of strength, adaptability, craftsmanship and performance.

The Atul 3 wheeler range has world-class features that have been designed to help customers conquer any terrain and business environment. A powerful engine across the fuel range, sturdy built with wide chassis options, and great mileage ensure that when you own an Atul vehicle, you own the power to shape your destiny.

New products, processes and benefits flow from work done in various area of product development. In fact our vehicles have extreme adaptability in the sense that they can be used for almost any purpose. You can use it as a pick up, mobile shop, mobile catering vehicle, water/chemical/waste carrier, delivery van, passenger carrier, soft drink carrier, vending-on-wheels, dumpster, mobile advertising billboards, etc.

Atul is emerging stronger from the design table and accelerating faster towards a brighter future.

By working closely with 'front line' dealers and consumers, we are receiving valuable first hand feedback that is further inspiring exciting design solutions.

On the service front, we have wide network of consumer centric service centers across India. Each of these service hubs ensure that consumers receive world-class technical support from a team of specialists who are guided by in-depth knowledge in troubleshooting.

## 40+ Variants Including Customized Applications



AN ATUL FOR EVERYONE



***SOLUTION***  
***DELIVERING ON NEEDS***

# *ACCELERATION*

*GROWTH  
& EXPANSION*

**83.59%**   
CAPACITY UTILIZATION

**KEY FOCUS AREAS**

Leadership is all about thinking ahead of the times, and then hastening towards it with focus and purpose. Growth is shaped on the path that pushes boundaries and relentlessly takes ideas to the world.

Guided by the twin yardstick of continuity and change, Atul is charting a growth map on the balance sheet and across the world map. This success today and the strong position we project in the future, comes from a solid foundation of our core ethos.

Our core strengths of quality, durability, reliability and innovation are helping us leap across shores and making a difference to lives across landscapes. Picking up from last year we are continuing our growth momentum with a Profit After Tax of Rs. 53.12 Cr. Over the last few years we have clocked consistently higher than average industry growth.

**We occupy leading positions because we have created an environment that encourages, rewards and protects integrity & creativity.**

This year we are reaffirming our growth and expansion strategy by consolidating the current markets and expanding to new territories.

Besides being a Pan-India company, we are also exporting to over 20 countries and expanding to newer locations. During FY 2018, we set up base in locations like Nepal, Ecuador, Mexico, Iraq etc. This year we have expanded to Ethiopia, Cambodia, Myanmar, Bolivia, Somalia etc.

Our export volumes have delivered a strong showing, with the number of vehicles exported reaching to 5,536 vehicles in FY 19 as opposed to 3,411 vehicles in FY 18.

Atul continues to cross growth milestones because we believe that every step we take makes a difference to people's lives. As the years roll by we will continue to accelerate ahead with the same passion and perseverance as always and to go bravely into a brighter future.

## **PRESENCE IN 20+ COUNTRIES AND GROWING**



**REACHING TO A WORLD OF CUSTOMERS**

# MANAGEMENT DISCUSSION AND ANALYSIS

## OVERVIEW

We are among the fastest growing 3 wheeler companies in India, with a Pan-India presence. The company is also expanding with dealership, sales, services and spare parts network across 20+ countries.

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.

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

We have organized our sales and marketing strategies in such a way that focus on specific geographies and niche, enabling us to customize our offerings to our customers' needs.

## ECONOMY

High trade tensions and policy uncertainty in many countries continue to damage prospects for global economic growth. Following an expansion at 3.0 percent rate in 2018, world gross product growth is now moderated to 2.7 per cent in 2019 and 2.9 per cent in 2020. Among the emerging markets of the world, India and China are on top and now, they have also faced the slowing down in growth in fiscal 2019.

The first advance estimates of national income released by the Central Statistics Office (CSO) had estimated India's real GDP growth for financial year 2018-19 at 7.2 percent as compared to the growth rate of 6.7 percent in 2017-18. This have been made lowered by the second advance estimates to 7 percent and further lowered to 6.8 percent, slowest in last five years with fourth quarter growth rate of 5.8 percent in provisional estimates of CSO. Amid slowing economic growth and rising

global uncertainty, RBI, for the fourth time in a row, decreased the short-term lending rate (repo rate) by 35 basis points to 5.40 percent. The Monetary Policy Committee of RBI had also decided to change the stance of monetary policy from neutral to accommodative.

Growth in eight core industries decelerated sharply in April 2019, pulled down largely by coal, crude oil, fertilizers and cement. Credit flows from banks to large industries strengthened, though they remained muted for micro, small and medium industries. GDP decline in last quarter was due to temporary factors like stress in NBFC sector affecting consumption finance.

## THREE WHEELER INDUSTRY

The Indian automotive industry accounts for 7.1% contribution in country's GDP. The three-wheeler segment is one of the fastest growing industries among auto sector. India has emerged as the largest three-wheeler producing industry with a large domestic market and export base on the back of strong demand from local as well as international markets.

### Domestic

The domestic three wheeler sales crossed the mark of 7 Lakhs units in fiscal 2019. The domestic sales grew by 10.27 percent in FY 2018-19 against 24.19 percent last year. The growth is less than half of the previous year.

The performance of three wheeler industry in financial year 2018-19 needs to be reviewed in two parts; the industry was very strong in first half and for next half it turned negative where there was a sudden drop in demand in passenger vehicles on account of various factors whereas it registered small positive growth for cargo three wheelers.

The table below summarizes the growth pattern in two half:

Segment	H1 2019	H1 2018	Growth (%)	H2 2019	H2 2018	Growth (%)	FY 2019	FY 2018	Growth (%)
Passenger	291982	205244	42.3	280410	312179	-10.2	572392	517423	10.6
Cargo	62297	54304	14.7	66322	63971	3.7	128619	118275	8.8
Total	354279	259548	36.5	346732	376150	-7.8	701011	635698	10.3

The factors contributed for the strong growth in first half were positive sentiment, especially in rural parts of the country, good economic growth, an outlook of a normal monsoon, good rainfall in June & July, good MSP increases, availability of affordable finance and a low base from H1 FY 2018.

However in H2 of the fiscal it has marked slowdown in demand was principally a result of muted demand from rural parts, buying cost escalation due to increased insurance cost, tight credit conditions arising from stress in NBFC sector, which has a significant share in wholesale and retail financing; lower Government capital spending; uncertainty over fuel prices and high base effect from H2 FY 2018.

Against this industry trend, Atul sold 44,513 units in domestic market with growth of 13.17 percent in financial year 2018-19 against 7.74 percent in 2017-18. This growth came from around 25 percent increase in sales of passenger vehicles. Apart from its proven and successful range of diesel three wheelers, penetration of Alternate Fuel vehicles in urban part has driven this growth.



### International Market

The international market for three wheeler industry showed booming demand. Indian three wheeler industry exported 5,67,689 units in fiscal 2019 by registering growth of 49 percent compared to the last year's sales of 3,81,002 units.

Consistent higher crude prices during the year drove economic growth in many international markets dependent largely on crude export income. Improved foreign exchange availability in Africa further aided the growth of export industry over last year. Latin America, Africa and few countries in Asia are some of the markets where demand improvement was witnessed.

Faster than the industry pace, the Company achieved the growth of 62.30 percent with export of 5536 units in fiscal 2019 in compared to 3411 units last year. This growth has come from surge in demand from Ethiopia, Nepal and few Latin American countries. During the year, the company was able to identify and appoint distributors in few more countries and have introduced its products. By end of FY 19, the penetration is in 20+ different countries.

### RESEARCH AND DEVELOPMENT

Our Company continues to derive sustainable benefit from the strong foundation and long tradition of R&D which differentiates it from others. New products, processes and benefits flow from work done in various area of product development and upgradation in existing product/s. With modern facilities and technology culture, we attract the best talent to provide a significant technology differentiation to its products and processes.

### Alternate Fuel 3W

The seeding done in Alternate Fuel 3W segment in last few years has been ripping now. The Company has been committed to make constant embellishments in its Gemini Alternate Fuel (Petrol/ CNG/ LPG) 3W to deliver best in class comfort and economy in 0.35 ton passenger segment. During the year company was able to introduce its Alternate fuel 3 wheeler on 0.5 ton segment.

### BS VI Compliant Vehicles

From April 01, 2020, India will switch over to BS VI emission norms. The technical team has been geared up with the necessary strength to migrate into new emission norms and confident enough that all models in compliance with BS VI norms will be ready before the deadline.

### E-Vehicle

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 as beginning of new era for the industry as well as for the Company. The strong steps have already been taken for the development of electric autos even before the announcement of mandatory transition to electric mobility by Niti Aayog. All together new model with upgraded features is under development powered with Lithium-ion Battery, which will be able to compete conventional 3 wheelers and will carry distinct advantages like low operating cost, less charging time and comfort for passengers.

### 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.

The Indian Auto industry is set to migrate to BS VI emission norms from April 01, 2020. The industry is gearing up to meet the challenges

involved. The forecast of demand and inventory management at the end of dealer during second half of 2019-20 will be crucial for all players of the industry.

With an objective of improving air quality and reducing the fuel import bill, the Government is actively pursuing the plan for electrification of the vehicle fleet and has announced the 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. By developing prudent product in this segment, the Company is set to maximize the benefits from e-mobility era.

The pace with which the business is coming from export market, the Company will grab the opportunities lying in foreign countries by seeding the vehicles and to taste the ripen fruits where the product of the Company has already been established.

### RISKS AND CONCERNS

A normal monsoon is important for agriculture as well as the rural economy and sentiment at large. Any negative deviation from normal monsoon is a cause of concern.

Uncertainty of demand due to upcoming emission regulation will be there throughout the year with its high impact will be seen in second half of 2019-20. In order to leapfrog from BS IV to BS VI emission norms in domestic market from April 1, 2020, product readiness, supply chain readiness and dealership readiness will be crucial. The cost involved in meeting BS VI emission for Diesel vehicles is higher than the petrol vehicle. This is likely to put pricing pressure on the Diesel fuelled vehicles with BS VI implementation.

Fiscal 2019 saw a moderate increase in commodity prices. In fiscal 2020, commodity price increases are expected to be benign. Your Company continues to work on mitigating the inflationary impacts through cost re-engineering and value engineering activities.

International factors such as geo-political scenarios and rising crude oil prices are being continuously monitored for both risks and opportunities.

Increasing need for advanced technologies in the vehicles, competitive intensity and ever spiraling customer expectations - calls for increased R&D, closer working with suppliers, shorter product life cycles and rigorous monitoring of costs.

The Company recognizes these risks and has developed action plans to mitigate the risks suitably.

### OUTLOOK

Fiscal 2019 was good year for the Company in which the Company has crossed the sales of 50,000 units a year, grown well in international market as well as achieved good numbers in domestic market. SIAM estimates the growth of 3W industry at 7-9 percent in fiscal 2020 considering the various factors related to the auto industry.

The management considers e-mobility, BS VI emission norms and consistency in availability of retail finance from NBFCs as major factors which will drive the market in upcoming years.

The industry will undertake a significant change in migrating from BS IV to BS VI emission norms effecting from April 01, 2020. The unwarranted price war to dump the unsold BS IV inventory may be seen and will be detrimental to all.

Green mobility and target to become energy independent are the major factors for policy push in India. The future of three wheeler industry seems to be dependent on responsiveness of the players to recent announcement by Niti Aayog on transition of all three-wheelers to electric by 2023, reduction in GST on electric vehicle from 12 percent to 5 percent and FAME II Policy.

The early steps towards development e-auto, adaptability to government policies - emission norms, strong rooted dealer network, strong R & D support, availability of foreign exchange in international market and attempts towards making the finance available to the customer will push the growth of the Company.

### 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.

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 & 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 & Organizational Development. As on March 31, 2019, the number of employees working with the Company was 927. Continuously, the Company maintains good industrial relations without any disruption in work.

### COMPANY'S OPERATIONAL PERFORMANCE

The Company has outperformed in financial year 2018-19 and achieved many milestones in operations which have been explained below:

- The Company has clocked the sales of 50,049 vehicles in FY 2018-19 in compare to last year figure of 42,744 vehicles which consist 5,536 vehicles sold in international market in compared to 3,411 vehicles last year.

### KEY FINANCIAL RATIOS

The key financial ratios of the Company are as under:

Particulars	2018-19	2017-18
Debtors Turnover (Days)	43	40
Inventory Turnover (Days)	29	27
Current Ratio (Times)	2.11	2.56
Operating Profit Margin (%)	7.43	7.91
Net Profit Margin (%)	8.03	8.38
Return on Net Worth (%)	20.54	21.05

The Company is maintaining debt-free status since 2012 and hence, debt equity or interest coverage ratios have not been provided. There was no significant change in the above key financial ratios during the year in compare to previous year.

### 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

- The income from operations increased to Rs.66,676 Lacs in FY 2018-19 compared to Rs.56,933 Lacs last year. The Income from operations consists of Vehicle Sales Turnover in export of Rs.5,884 lakhs which is 60% more compared to previous year. Moreover, domestic vehicle sales turnover has also increased by 13.76% compared to previous year.
- EBDITA ratio for the year is 13.36% which was 13.63% during last financial year.
- Average Sales Realization P/Vehicle has gone up by Rs. 2,932/- as compared to last financial year, it has increased by 2.37%.
- Material cost in FY 2018-19 stood at Rs.49,497 Lacs in compare to Rs.41,755 Lacs in last year. Cost of material consumed vis a vis sales during the year has increased to 74.84% from 73.33% of previous year due to change in sales mix and revision in raw material prices.
- Employee benefits expenses were Rs. 4,768 Lacs in FY 2018-19 as compared to Rs.4,013 Lacs last year. During the year employee benefit expenses have gone up due to overall increase in employees count by 59 employees in current year (total employees joined during the year is 217 and no. of employees left during the year is 158). Moreover, labour charges have been increased from Rs. 289 Lakhs to Rs. 389 Lakhs, staff welfare expenses have been increased from Rs. 251 Lakhs to Rs. 291 Lakhs. Director's Salary is also increased from Rs.285 Lakhs to Rs. 312 Lakhs.
- Finance cost increase from Rs.42 Lacs in FY 2017-18 to Rs.86 Lacs in FY 2018-19 due to increased payment of interest on income tax and dealer deposit.
- Other expenses have increased from Rs.3,910 Lacs in FY 2017-18 to Rs.4,263 Lacs in FY 2018-19. This is due to increase in various expenses like export, freight, advertisement, sales promotion, finance subvention etc.
- Net profit for the year is Rs. 5,312 lakhs as against Rs. 4,619 lakhs during last financial year; it is grown by 15.00%

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 FY2019.

# NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First Annual General Meeting (AGM) of Members of Atul Auto Limited will be held on Monday, September 30, 2019 at 11.00 am at registered office of the Company at Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapur (Veraval), District Rajkot, Gujarat, INDIA 360024 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, 2019, together with Board's Report thereon and Auditors' Reports thereto.
2. To declare a final dividend on equity shares for financial year 2018-19.
3. To appoint a Director in place of Mr. Jayantibhai J Chandra (DIN: 00057722), who retires by rotation and being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS:

### 4. Appointment of Ms. Aarti J Juneja (DIN: 06872059) as Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Aarti J Juneja (DIN: 06872059), who was appointed as an Additional Director of the Company with effect from February 09, 2019 pursuant to Section 161 of the Act and provisions of Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (three) consecutive years with effect from February 09, 2019 to February 08, 2022."

### 5. Appointment of Mr. Mohanjit Singh Walia (DIN: 08535435) as Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Mohanjit Singh Walia (DIN: 08535435), who was appointed as an Additional Director of the Company with effect from August 10, 2019, pursuant to Section 161 of the Act and provisions of Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting and in respect of whom the

Company has received a notice in writing from a shareholder under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (three) consecutive years with effect from August 10, 2019 to August 09, 2022."

### 6. Appointment of Mr. Jaichander Swaminathan (DIN: 08537472) as Independent Director

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 149, 150, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Rules made thereunder, read with Schedule IV of the Act and Regulation 16(1)(b) and 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Jaichander Swaminathan (DIN: 08537472), who was appointed as an Additional Director of the Company with effect from August 26, 2019, pursuant to Section 161 of the Act and provisions of Articles of Association of the Company and who has submitted the declaration that he meets the criteria for Independence as provided under the Act and the Listing Regulations and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a shareholder under Section 160 of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 (three) consecutive years with effect from August 26, 2019 to August 25, 2022."

### 7. Ratification of Appointment of Mr. Hasmukh H Adhvaryoo (DIN: 06456067)

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

"RESOLVED THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 ("Listing Amendment Regulations") as effective from April 01, 2019 and in compliance with provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ('Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 ('Rules') including any statutory modification(s) or re-enactment thereof read with Schedule IV of the Act, the appointment of Mr. Hasmukh H Adhvaryoo (DIN: 06456067) as Independent Director (who has already attained the age of seventy five years at the time of his reappointment for second term with approval of shareholders with ordinary resolution and whose resignation has been accepted by the Board of Directors with effect from July 17, 2019), be and is hereby ratified for a period from April 01, 2019 to July 17, 2019."

### 8. Creation of charge/ providing of security while borrowing money

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

"RESOLVED THAT the consent of the Company be and is hereby accorded, in terms of Section 180(1)(a) and all other applicable provisions, if any, of the Companies Act, 2013 to the Board of Directors of the Company for creation of such mortgage, charge and/ or hypothecation on assets of the Company, both present and future in favour of banks, financial institutions or other bodies corporate (hereinafter referred to as the "Lending Agencies"), as the Board in its absolute discretion thinks fit so as to secure the borrowings by the Company together with interest thereon at the agreed rates, further interest, liquidated damages, premium on prepayment or on redemption, costs, charges, expenses and all other moneys

payable by the Company to the Lending Agencies under their respective Agreements/Loan Agreements entered/ to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER THAT the Board be and is hereby authorised and empowered to do all such acts, deeds, matters and things, arrange, give such directions as may be deemed necessary or expedient and to execute all such documents, instruments and writings as may be required to give effect to this Resolution and for matters connected therewith or incidental thereto, including intimating the concerned authorities or other regulatory bodies and delegating all or any of the powers conferred herein to any Committee of Directors or Officers of the Company."

#### **9. Increase in remuneration of Mr. Jayantibhai J Chandra, Chairman and Managing Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V, other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) as well as provisions contained in Articles of Association of the Company and in pursuance of recommendation of Board of Directors of the Company and also recommended by Nomination and Remuneration Committee, the approval of members of the Company be and is hereby accorded to increase the remuneration of Mr. Jayantibhai J Chandra (DIN: 00057722), Chairman and Managing Director of the Company as under:

- I. The remuneration of Mr. Jayantibhai J Chandra is increased to Rs.13,41,000/- (Rupees Thirteen Lacs Forty One Thousands Only) per month with effect from June 01, 2019 with authority to the Board of Directors to revise the same from time to time in accordance with limits specified in Schedule V to the Companies Act, 2013 subject to the approval of shareholders at the General Meeting.
- II. Other Facilities (In addition to above remuneration):
  - He shall be provided with company maintained car with driver for performance of his official duties.
  - He shall be provided with telephone and other communication facilities at his residence including cell phone to be used for performance of his official duties.
  - The Company shall pay premium of health insurance of Mr. J J Chandra and his family for not more than Rs.40,000/- on yearly basis.
  - The Company shall pay the premium of not more than Rs.30,000/- on yearly basis for the personal accident cover for Mr. J J Chandra.

"RESOLVED FURTHER THAT the draft supplementary service agreement to be executed by the Company with Mr. J J Chandra setting out the aforesaid modification in the remuneration, initialed by Whole-time Director & CFO of the Company for the purpose of identification be and is hereby approved."

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

"RESOLVED FURTHER THAT approval of the members of the Company be accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may

arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

#### **10. Increase in remuneration of Mr. Mahendra J Patel, Whole-time Director & CFO**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, Schedule V, other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) as well as provisions contained in Articles of Association of the Company and in pursuance of recommendation of Board of Directors of the Company and also recommended by Nomination and Remuneration Committee, the approval of members of the Company be and is hereby accorded to increase the remuneration of Mr. Mahendra J Patel (DIN: 00057735), Whole-time Director & CFO of the Company as under:

- I. The remuneration of Mr. Mahendra J Patel is increased to Rs.11,64,000/- (Rupees Eleven Lacs Sixty Four Thousands Only) per month with effect from June 01, 2019 with authority to the Board of Directors to revise the same from time to time in accordance with limits specified in Schedule V to the Companies Act, 2013 subject to the approval of shareholders at the General Meeting.
- II. Other Facilities (In addition to above remuneration):
  - He shall be provided with company maintained car with driver for performance of his official duties.
  - He shall be provided with telephone and other communication facilities at his residence including cell phone to be used for performance of his official duties.
  - The Company shall pay premium of health insurance of Mr. M J Patel and his family for not more than Rs.40,000/- on yearly basis.
  - The Company shall pay the premium of not more than Rs.30,000/- on yearly basis for the personal accident cover for Mr. M J Patel.

"RESOLVED FURTHER THAT the draft supplementary service agreement to be executed by the Company with Mr. M J Patel setting out the aforesaid modification in the remuneration, initialed by Chairman and Managing Director of the Company for the purpose of identification be and is hereby approved."

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

"RESOLVED FURTHER THAT approval of the members of the Company be accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

#### **11. Increase in remuneration of Mr. Niraj J Chandra, Whole-time Director**

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197,

Schedule V, other applicable provisions, if any, of the Companies Act, 2013, Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) as well as provisions contained in Articles of Association of the Company and in pursuance of recommendation of Board of Directors of the Company and also recommended by Nomination and Remuneration Committee, the approval of members of the Company be and is hereby accorded to increase the remuneration of Mr. Niraj J Chandra (DIN: 00065159), Whole-time Director of the Company as under:

- I. The remuneration of Mr. Niraj J Chandra is increased to Rs.6,50,000/- (Rupees Six Lacs Fifty Thousand Only) per month with effect from June 01, 2019 with authority to the Board of Directors to revise the same from time to time in accordance with limits specified in Schedule V to the Companies Act, 2013 subject to the approval of shareholders at the General Meeting.
- II. Other Facilities (In addition to above remuneration):
  - He shall be provided with company maintained car with driver for performance of his official duties.
  - He shall be provided with telephone and other communication facilities at his residence including cell phone to be used for performance of his official duties.
  - The Company shall pay premium of health insurance of Mr. Niraj J Chandra and his family for not more than Rs.40,000/- on yearly basis.
  - The Company shall pay the premium of not more than Rs.30,000/- on yearly basis for the personal accident cover for Mr. Niraj J Chandra.

“RESOLVED FURTHER THAT the draft supplementary service agreement to be executed by the Company with Mr. Niraj J Chandra setting out the aforesaid modification in the remuneration, initialed by Whole-time Director & CFO of the Company for the purpose of identification be and is hereby approved.”

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

“RESOLVED FURTHER THAT approval of the members of the Company be accorded to the Board of Directors of the Company to do all such acts, deeds, matters and things and to take all such steps as may be required in this connection including seeking all necessary approvals to give effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard and further to execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient.”

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

(Paras J Viramgama)  
Company Secretary & Compliance Officer

Place : Shapar (Dist. Rajkot)  
Date : August 26, 2019

#### Notes:

- A. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member of the Company.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a member holding more than ten percent of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member. In case of joint holders attending the meeting, only such joint holders who are higher in the order of the names will be entitled to vote.

Corporate Members intending to send their authorized representatives to attend the Annual General Meeting, pursuant to Section 113 of the Companies Act, 2013, are requested to send to the Company, a certified copy of relevant Board Resolution together with the respective specimen signatures of those representative(s) authorized under the said resolution to attend and vote on their behalf at the meeting.

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

- B. The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 4 to 11 forms part of this Notice. Additional information, pursuant to Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings in respect of Directors seeking appointment/reappointment at the Annual General Meeting is furnished as annexure to the Notice.
- C. The Register of Members and Share Transfer Books of the Company will remain closed from Tuesday, September 24, 2019 to Monday, September 30, 2019 (both days inclusive) for the purpose of Annual General Meeting and determining the shareholders who are entitled to receive dividend.
- D. The dividend as recommended by the Board of Directors if declared at the AGM will be paid on or after September 30, 2019 but before October 29, 2019 to those persons or their mandates:
  - a. whose names appear as Beneficial Owners as at the end of the business hours on Monday, September 23, 2019 in the list of Beneficial Owners to be furnished by National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and
  - b. whose names appear as Members in the Register of Members of the Company as at the end of the business hours on Monday, September 23, 2019 after giving effect to requests of transfer/ transmission/ transposition lodged with the Company/its Registrar & Share Transfer Agents on or before Monday, September 23, 2019.
- E. The attention of Members is particularly drawn to the relevant para of the Corporate Governance Report forming part of the Board's Report in respect of unclaimed and unpaid dividends and transfer of dividends/shares to Investor Education and Protection Fund (IEPF).
- F. With effect from May 18, 2019, the operations of Registrar and Share Transfer Agent ("RTA") of the Company namely Sharex Dynamic (India) Private Limited has been shifted to its new office at C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai 400083. The e-mail address has also been changed to support@shareindia.com.

- G. SEBI has vide its Notifications dated June 08, 2018 and November 30, 2018 mandated that securities of listed companies can be transferred only in dematerialized form from April 01, 2019. In view of the above and to avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members are also requested to update their KYC including specimen signature before applying for dematerialization to reduce the possibilities of rejection of demat request.
- H. SEBI has mandated the submission of PAN by every person dealing in the 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.
- I. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through the Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/Real Time Gross Settlement (RTGS)/Direct Credit, etc.

As directed by SEBI, the Members holding shares in physical form are requested to submit particulars of their bank account alongwith the original cancelled cheque bearing the name of the Member to RTA / Company to update their Bank Account details.

Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar can not act on any request received directly from the Members holding shares in electronic form for any change in address, change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.

- J. Members holding shares in physical form are requested to advise any change of address, bank details etc. immediately to the Company's Registrar and Share Transfer Agents (RTA), M/s Sharex Dynamic (India) Private Limited at its new address.
- K. Pursuant to sections 101 and 136 of the Act read with the Rules framed thereunder, Notice calling Annual General Meeting along with Annual Report 2018-19 is being sent to all the members whose email addresses are registered with the Company/ Depository Participant(s) unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual report is being sent through the permitted mode.

To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number. Members may also note that the Annual Report for FY 2018-19 and previous years will also be available on the Company's website [www.atulauto.co.in](http://www.atulauto.co.in) for download.

- L. All documents referred to in the accompanying Notice shall be open for inspection at the Registered Office of the Company during normal business hours 09:00 AM to 05:00 PM on any working days except Saturdays and Sundays, up to and including the date of AGM and the copies thereof shall be available for inspection in physical or electronic form.
- M. Members desiring any information as regards to the accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the meeting.
- N. The Register of contracts or arrangements in which directors are interested under section 189 of the Companies Act, 2013 and the Register of Directors and Key Managerial Personnel and their

shareholding under section 170 of the Companies Act, 2013 are open for inspection on all working days during business hours at Registered Office of the Company. The said Register shall also be produced at the commencement of AGM and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.

- O. 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 through the remote e-voting platform provided by Central Depository Services (India) Limited ("CDSL").

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 Monday, September 23, 2019 i.e. cutoff date only shall be entitled to avail the facility of remote voting as well as the voting in AGM. 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 who have not cast their vote by remote e-voting shall be eligible to vote at the AGM by Ballot. The members who have cast their vote by remote e-voting may also attend the AGM but shall not be entitled to cast their vote again.

#### Procedure for remote e-voting

- (I) The remote e-voting period will commence at 9.00 AM on Thursday, September 26, 2019 and will end at 5.00 PM on Sunday, September 29, 2019. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- (iii) Click on Shareholders
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Members who have not updated their PAN with the Company/ Depository Participant are requested to use the sequence number which is sent through separate communication in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (IV).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for Atul Auto Limited.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store, Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile
- (xix) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or [investorrelations@atulauto.co.in](mailto:investorrelations@atulauto.co.in)
- P. The poll process shall be conducted and scrutinized and report thereon will be prepared in accordance with Section 109 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
- Q. Mr. Bunty Hudda, Practicing Company Secretary (ICSI Membership No. A31507) has been appointed as the Scrutinizer to scrutinize the e-voting process (including the ballot to be cast by the members at the meeting) in a fair and transparent manner.
- The Scrutinizer shall after the conclusion of voting at the meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company. The Scrutinizer shall submit a consolidated Scrutinizer's Report on the votes cast to the Chairman of the meeting.
- The Chairman or a person authorized by him in writing shall declare the result of voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the website of the Company [www.atulauto.co.in](http://www.atulauto.co.in) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com) immediately after the result is declared by the Chairman and the same shall be communicated to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed. The results shall also be displayed on the notice board at the Registered Office of the Company.

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

##### Item No. 4 to 6:

The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Aarti J Juneja (DIN: 06872059), Mr. Mohanjit Singh Walia (DIN: 08535435) and Mr. Jaichander Swaminathan (DIN: 08537472) as Additional Independent Directors of the Company with effect from February 09, 2019, August 10, 2019 and August 26, 2019 respectively under Sections 149, 150, 152 of the Companies Act, 2013 and provisions of the Articles of Association of the Company. All three Directors shall hold office upto the date of forthcoming Annual General Meeting and are eligible to be appointed as an Independent Director.

The Company has received notices under Section 160 of the Companies Act, 2013 from shareholders of the Company proposing their candidatures as Independent Directors of the Company. The Company has also received a declaration of independence from the Directors. In the opinion of the Board, all three Directors fulfill the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Listing Regulations, of being eligible for appointment as Independent Director.

They are not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and have given their consent to act as a Director. A copy of the draft Letter of Appointment for Independent Directors is available for inspection at the Registered Office of the Company during business hours on any working day.

A brief profile of all three Directors including nature of his expertise and the details required under Regulations 26(4) and 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard are provided as annexure to this Notice of AGM.

The remuneration to these Directors in form of sitting fees shall be

governed by the Remuneration Policy of the Company. The Board considers that their association would be of immense benefit to the Company and it is desirable to avail services of these experts as Independent Directors. Accordingly, the Board recommends the resolutions in relation to appointment of Ms. Aarti J Juneja, Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan for period of 3 (three) consecutive years for the approval by the members of the Company at item no. 4, 5 and 6 respectively.

Except appointees him/herself, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item No. 4, 5 and 6 of the Notice.

The Board recommends the passing of the Resolutions as an Ordinary Resolutions.

**Item No. 7:**

Mr. Hasmukh Adhvaryoo (DIN: 06456067) was reappointed as an Independent Director of the company at 28th Annual General Meeting held on September 16, 2016 for his second term as Independent Director upto August 11, 2019 wherein he has already attained age of seventy five years on the date of reappointment. The said reappointment of Mr. Adhvaryoo was made by passing an Ordinary Resolution with voting of promoter and promoter group by 100%, Public-Institution by 98.24% and Public Non-Institution by 98.75%.

On July 17, 2019, the Company has received the letter from NSE asking for the clarification in respect of compliance of regulation 17 of the Listing Regulations mentioning the reason that "Age of the Non-Executive Director Mr. Hasmukh Adhvaryoo is more than 75 years." On appraising the above facts with the said letter of NSE to Mr. Adhvaryoo, he has voluntarily tendered his resignation with a request to accept it with immediate effect i.e. from July 17, 2019 with a reason that there would not be any further non-compliance with the regulation 17, if it is there.

Consequently, the meeting of Board of Directors of the Company was called and the Board at its meeting held on July 20, 2019 and the Board has accepted the resignation of Mr. Hasmukh Adhvaryoo from Directorship of the Company with effect from July 17, 2019. The Board has also decided to ratify continuance of directorship of Mr. Adhvaryoo for the period from April 01, 2019 to July 17, 2019 by passing special resolution in this AGM.

Considering the rich experience, fine and fit health, long association with the Company, the Board had found it proper to continue the appointment of Mr. Hasmukh Adhvaryoo even if his age was more than seventy five years. Mr. Adhvaryoo fulfills the conditions as set out in Section 149(6) and Schedule IV of the Companies Act, 2013 and Listing Regulations for appointment as Independent Director. He is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

Except appointee himself, none of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

The Board recommends the passing of the Resolution as a Special Resolution.

**Item No. 8:**

The Company enjoys the debt-free status since 2012 till closing of last financial year. Now, the Company has budgeted expenditure like capital investment to set-up Greenfield production facility at Bhayla, Ahmedabad, to make technological upgradation to meet with BS VI norms, to develop electric auto, 200+ cc engines and financing working capital requirement. The Company needs to borrow money to take the

leverage of creditability of the Company which in turn increases the profitability. The provisions of section 179(3)(d) of the Companies Act, 2013 ("the Act") confers powers to the Board of Directors to borrow money upto Rs.258.06 Crore (aggregate amount of paid-up share capital, free reserves and securities premium) without approval of shareholders under section 180(1)(c) of the Act.

While borrowing money, the Company requires securing the borrowings by creating mortgage/ charge on all or any of the movable or immovable properties of the Company in favour of the lender(s) in such form, manner and ranking as may be determined by the Board of Directors of the Company from time to time, in consultation with the lender(s). In terms of section 180(1)(a) of the Act, any proposal to sell, lease or otherwise dispose of the whole, or substantially the whole, of any such undertaking requires the approval of the Members by way of an Special Resolution.

Accordingly, the consent of the Members is being sought for securing the borrowings by mortgage/ charge on any of the movable and/ or immovable properties and / or the whole or any part of the undertaking(s) of the Company as set out in the Special Resolution at Item No. 8 of the Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested, financially or otherwise, in this resolution.

The Board recommends the passing of the Resolution as a Special Resolution.

**Item No. 9:**

Mr. Jayantibhai J Chandra, Chairman and Managing Director of the Company is one of the promoters of the Company and is associated with the Company since its inception. Mr. J J Chandra has, through his foresight and visionary approach, coupled with sound understanding of the automobile industry, has led the Company to the path of growth.

The remuneration is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, operational performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as in Report on Corporate Governance.

The Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on May 25, 2019 have approved the increase in remuneration payable to Mr. J J Chandra at fifteen percent to Rs.13,41,000/- per month and the benefit of premium of personal accident cover to Rs.30,000/- per annum with effect from June 01, 2019.

The draft supplementary service agreement to be executed by the Company with Mr. J J Chandra setting out the aforesaid modification in the remuneration is available at the registered office of the Company for inspection by any member of the company without payment of any fee as required under section 190 of the Companies Act, 2013.

Except Mr. J J Chandra, being the proposed beneficiary and Mr. Niraj J Chandra, being son of Mr. J J Chandra, none of the Directors or Key Managerial Personnel including their relative is concerned and/or interested in this Resolution set out at Item No. 9 of the Notice.

The Board recommends the passing of the Resolution as a Special Resolution.

**Item No. 10:**

Mr. Mahendra J Patel, Whole-time Director & CFO of the Company has been associated with the Company since long. Mr. M J Patel is the key person in managing financial matters of the Company. He is also supervising the production facility of the Company and has great



management skill. The Company has benefited a lot from the expertise and vision of Mr. M J Patel.

The remuneration is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, operational performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as in Report on Corporate Governance.

The Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on May 25, 2019 have approved the increase in remuneration payable to Mr. M J Patel at fifteen percent to Rs.11,64,000/- per month the benefit of premium of personal accident cover to Rs.30,000/- per annum with effect from June 01, 2019.

The draft supplementary service agreement to be executed by the Company with Mr. M J Patel setting out the aforesaid modification in the remuneration is available at the registered office of the Company for inspection by any member of the company without payment of any fee as required under section 190 of the Companies Act, 2013.

Except Mr. M J Patel, being the proposed beneficiary, none of the Directors or Key Managerial Personnel including their relative is concerned and/or interested in this Resolution set out at Item No. 10 of the Notice.

The Board recommends the passing of the Resolution as a Special Resolution.

#### Item No. 11:

Mr. Niraj Chandra, Whole-time Director of the Company has been taking care of Human Resource and Industrial Relations of the Company. With implementation of strategies led by him resulted in good numbers in export sales. He has recently taken over the charge of strengthening the domestic market of the Company.

The remuneration is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, operational performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as in Report on Corporate Governance.

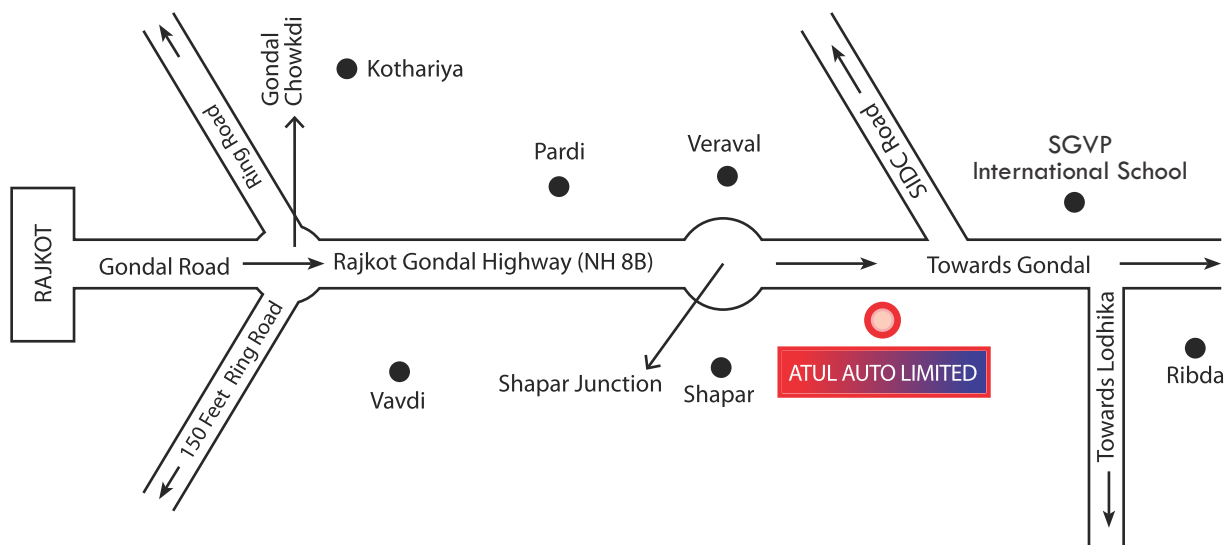
The Nomination and Remuneration Committee and the Board of Directors of the Company at its meeting held on May 25, 2019 have approved the increase in remuneration payable to Mr. Niraj J Chandra at thirty percent to Rs.6,50,000/- per month the benefit of premium of personal accident cover to Rs.30,000/- per annum with effect from June 01, 2019.

The draft supplementary service agreement to be executed by the Company with Mr. Niraj Chandra setting out the aforesaid modification in the remuneration is available at the registered office of the Company for inspection by any member of the company without payment of any fee as required under section 190 of the Companies Act, 2013.

Except Mr. Niraj Chandra, being the proposed beneficiary and Mr. J J Chandra, being father of Mr. Niraj Chandra, none of the Directors or Key Managerial Personnel including their relative is concerned and/or interested in this Resolution set out at Item No. 11 of the Notice.

The Board recommends the passing of the Resolution as a Special Resolution.

## ROUTE MAP



## PROFILE OF DIRECTORS BEING APPOINTED/ RE-APPOINTED/ RATIFICATION OF APPOINTMENT

Name of Director	Mr. J J Chandra	Ms. Aarti J Juneja	Mr. Mohanjit Singh Walia	Mr. Jaichander Swaminathan	Mr. Hasmukh Adhvaryoo
DIN	00057722	06872059	08535435	08537472	06456067
Date of Birth	20/10/1956	11/03/1983	09/01/1959	24/03/1991	30/08/1940 (78 Years)
Date of Appointment	18/06/1986	09/02/2019	10/08/2019	26/08/2019	27/12/2012
Expertise in specific field	Mr. J J Chandra has wide experience in Automobile Industry of more than four decades. He has a far reaching vision with a keen insight to help Company to emerge as one of the leading manufacturers of small commercial vehicles.	Ms. Aarti J Juneja has vast experience in the field of finance, risk management, debt market, ECBs, Cross-country investment transactions, trading in currency and interest rates etc.	Mr. Walia has over 34 years of rich experience and quantifiable achievements in decisive leadership, 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.	Mr. Adhvaryoo possess the rich experience of managing human resources, administration of the corporates, liaisoning with government authorities and resolving legal matters related to labour law.
Academic Qualification	Under Graduate	Master in Management Studies (Finance)	B.E. (Mech) M.B.A.	B. Tech. M.S. Ph.D.	B.A. (Economics, Political Science, Psychology), B.Com. (Banking)
Name of other Companies in which he/she holds Directorship*	Nil	Nil	Nil	Nil	Nil
Name of other companies in which he/she holds Chairmanship/ Membership of Committees of Board	Nil	Nil	Nil	Nil	Nil
No. of Shares held in Atul Auto Limited	13,51,742	Nil	Nil	Nil	Nil
Relationship with other directors	Father of Mr. Niraj J Chandra	None	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 First Annual Report along with the audited financial statements for the financial year ended March 31, 2019.

## FINANCIAL RESULTS

The financial performance of the Company on standalone basis for the year ended March 31, 2019 is summarized below:

(Rs. in Lacs except EPS)

Particulars	2018-19	2017-18
<b>Revenue from Operations</b>	<b>66,676</b>	<b>56,933</b>
Other Income	687	257
<b>Total Income</b>	<b>67,363</b>	<b>57,190</b>
Operating Costs	58,528	49,679
<b>Profit Before Depreciation, Interest, Exceptional Items and Tax (PBDIT)</b>	<b>8,835</b>	<b>7,511</b>
Depreciation & Amortization Expense	554	526
<b>Profit before Interest, Exceptional Items and Tax</b>	<b>8,281</b>	<b>6,985</b>
Interest	86	42
Exceptional Items	-	-
<b>Profit before Tax (PBT)</b>	<b>8,195</b>	<b>6,943</b>
Tax Expense	2,883	2,324
<b>Profit after Tax (PAT)</b>	<b>5,312</b>	<b>4,619</b>
Other Comprehensive Income	-3	18
<b>Total Comprehensive Income for the period</b>	<b>5,309</b>	<b>4,637</b>
<b>Opening Balance in Profit and Loss Account</b>	<b>18,216</b>	<b>14,702</b>
<b>Appropriations</b>		
Dividend	1,152	933
Tax on Dividend	236	190
<b>Balance carried to Balance Sheet as Retained Earnings</b>	<b>22,137</b>	<b>18,216</b>
<b>Earnings per Share (Rs.)</b>	<b>24.21</b>	<b>21.05</b>

## FINANCIAL REVIEW AND HIGHLIGHTS

The Company has performed well during the financial year 2018-19 and reached to the new scale of business operations. The Highlights of the Company's financial performance (Standalone) for the year ended March 31, 2019 are as under:

- The Company has sold 50,049 vehicles in FY 2018-19 in compare to 42,744 in previous year. Thus, the Company has achieved the growth of 17.09%.
- The Company has achieved highest ever turnover in FY 2018-19 i.e. Rs.66,135 Lacs.
- Revenue from operations increased by 17.11% to Rs.66,676 Lacs (Previous year Rs.56,933 Lacs)
- Export revenue increased by 59.93% to Rs.6,405 Lacs (Previous year Rs.4,005 Lacs)
- PBDIT increased by 17.63% to Rs.8,835 Lacs (Previous year Rs.7,511 Lacs)

- Profit before tax (PBT) increased by 18.03% to Rs.8,195 Lacs (Previous year Rs. 6,943 Lacs)
- Net Profit (PAT) increased by 15% to Rs. 5,312 Lacs (Previous year Rs. 4,619 Lacs)

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

## DIVIDEND

During the financial year 2018-19, the Board of Directors of the Company declared and paid an interim dividend of Rs.2.75 (Rupees two and Seventy Five Paise Only) per equity share of the face value of Rs.5.00 (Rupees Five Only) each in the month of November 2018. In addition to that, your Directors recommend payment of Rs.1.25 (Rupee One and Twenty Five Paise Only) per equity share as final dividend for the financial year 2018-19, subject to the approval of the shareholders at the ensuing AGM. If approved, the total dividend (interim plus final dividend) for the financial year 2018-19 will be Rs.4.00 (Rupees Four

Only) (80%) per equity share as against the total dividend of Rs.5.25 (Rupees Five and Paise Twenty Five Only) (105%) per equity share paid for the previous financial year 2017-18.

The dividend payout ratio for the year inclusive of dividend distribution tax decreased to 20% considering the future need of the fund for capital expenditure like capacity expansion, investment for e-vehicle, investment to meet with BS VI norms etc. The total dividend (interim plus final dividend) pay-out (including dividend distribution tax) for the financial year 2018-19 will be Rs.1058 Lacs.

The final dividend, if declared will be paid to the shareholders within thirty days from the date of AGM.

## 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 2018-19 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 of the subsidiary and associate companies are available for inspection by the members 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 the CFS, 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/annual-reports.aspx>.

## PERFORMANCE OF SUBSIDIARIES, ASSOCIATE COMPANIES AND JOINT VENTURES

Pursuant to the 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

The Company is having an Associate Company namely, Khushbu Auto Finance Limited ("KAFL"), a Non-Banking Finance Company categorized as Investment and Credit Company (NBFC-ICC), earlier Asset Finance Company (AFC). KAFL is primarily in the business of financing of automobile vehicles. KAFL aggressively provides the finance to the customers of Atul Auto Ltd in the regions where other financiers are not easily available.

During the financial year 2018-19, KAFL disbursed loan of Rs.9896.68 Lacs to 6592 customers. The Asset Under Management (AUM) of the Company as on March 31, 2019 was Rs.13,980 Lacs in compare to Rs.11,470 Lacs as on March 31, 2018. During FY 2018-19, the Company has generated operational revenue of Rs.3,098 Lacs in compare to last year of Rs.1,533 Lacs. KAFL has registered Profit before Tax of Rs.1,063 Lacs in FY 2018-19 in compare to Rs.474 Lacs in previous year. The profit

after tax decreased to Rs.764 Lacs from Rs.861 Lacs in previous year.

KAFL is currently focusing on establishing the network and infrastructure through Direct Branch Operations as well as through Income Distribution Partner (IDP) and tie-up with Dealers for collection. KAFL has presence in various locations in state of Gujarat, Haryana, Andhra Pradesh, Telangana, Punjab and Karnataka through Direct Branch Operations/ IDPs.

KAFL is having a Wholly Owned Subsidiary namely Sanand Home Finance Limited with an object of housing finance activities. The business will be commenced only after obtaining the required license from regulatory authority.

### Atul Green Automotive Private Limited

Atul Auto Limited is having Wholly Owned Subsidiary namely Atul Green Automotive Private Limited with an object of exploring opportunities in providing e-mobility and green energy.

The Company has incorporated it with the initial investment of Rs.1 Lac as an initial equity share capital on February 12, 2018. This Company is planning to commence its business operations in financial year 2019-20.

The Company does not have any material subsidiary.

### 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 Nos. 5, 12 and 28 to the Standalone Financial Statements.

No security has been provided during the year 2018-19.

## LIQUIDITY

We continue to maintain debt-free status for fiscal 2019, too. We understand that the liquidity in the Balance Sheet has to balance between earning adequate returns and the need to cover financial and business risks. Liquidity enables us to make a rapid shift in direction, if there is a market demand. As on March 31, 2019 we had liquid assets of Rs.1892 lacs as against Rs.6181 lacs at the previous year end. These funds comprise cash, bank balance and investment in liquid mutual funds.

The Company has pre-approved bank credit facilities of Rs.1500 Lacs from IDBI Bank Limited and \$3.50 Million from EXIM Bank in the form of cash credit, working capital demand loan and pre/ post shipment credit to meet the requirement of working capital in future.

## CAPITAL EXPENDITURE

The Company has made the expenditure for plant and building at Bhayla, Bavla near Ahmedabad for future expansion. The Company incurred total capital expenditure Rs.6,983 Lacs (including Capital work-in progress and advance for capital good amounting to Rs.5,710 Lacs) whereas in previous year, it was Rs.899 Lacs (including Capital-work-in progress and advance for capital goods amounting to Rs.425 Lacs). The entire capital expenditure was funded out of internal accruals only.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The term of three Independent Directors namely Mr. Hakubhai Lalakiya, Mr. Hasmukhbhai Adhvaryoo and Mr. Hemantkumar Bhatt expires on August 11, 2019. The Board places on record its deep sense of gratitude and appreciation for their immense contribution, strategic guidance provided during his tenure as an Independent Director and members of various committees of the Company.

The Company has received the letter from National Stock Exchange of India Limited ("NSE") on July 17, 2019 asking for the clarification in respect of non-compliance due to continuance of directorship of Mr. Hasmukhbhai Adhvaryoo from April 01, 2019 even if his age is more than 75 years. The Company has submitted the clarification to NSE with the proof of ordinary resolution passed in 28th AGM on September 16, 2016 with special majority in respect of extension of his term upto August 11, 2019.

The Company has conveyed the matter to Mr. Hasmukhbhai Adhvaryoo who has voluntarily given his resignation on July 17, 2019 with reason that there would not be any further non-compliance if it is there. The Board Meeting of the Company has accepted the said resignation at its meeting held on July 20, 2019. The Board has also decided to ratify continuance of directorship of Mr. Hasmukhbhai Adhvaryoo for the period April 01, 2019 to July 17, 2019 by passing special resolution in the forthcoming AGM of the company and the same has been proposed at item no. 7.

On the basis of recommendations of the Nomination and Remuneration Committee, the Board of Directors has appointed Ms. Aarti J Juneja, Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan as Independent Directors (Additional) of the Company to fill the casual vacancy who will hold office till the ensuing AGM. The Nomination and Remuneration Committee has recommended the regularization of office of all three Independent Directors in upcoming AGM. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidatures for the office of Directors. The brief profiles of them are annexed to the notice of AGM.

Mr. Jayantibhai J Chandra, Chairman and Managing Director of the Company is liable to retire by rotation at the ensuing AGM to comply 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 your 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 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.

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

## NUMBERS OF MEETINGS OF BOARD

The Board met four times during financial year 2018-19, the details of which are provided in the Corporate Governance Report. The gap between any two meetings was within the period prescribed by the Companies Act, 2013 and the SEBI Listing Regulation.

## COMMITTEES OF THE BOARD

The Board of Directors has the following Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Stakeholders' Relationship Committee
- (d) Corporate Social Responsibility 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 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, 2019, 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, 2019 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; and

- 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, 2019.
- 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, 2019.

## 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) were appointed as statutory auditors of the Company at twenty ninth AGM to hold office upto thirty forth AGM. M/s. Kamlesh Rathod & Associates have confirmed that they are not disqualified from continuing as Auditors of the Company.

The Auditors' Report for the financial year ended March 31, 2019 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.

### Secretarial Auditors

The Board of Directors of the Company has appointed CS Bunt Hudda (CP No. 11560) to undertake the Secretarial Audit of the Company for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is set out in Annexure [A] to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Company is not required to get its cost records audited for the financial year 2018-19.

## 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.

## RELATED PARTY TRANSACTIONS

All transactions entered with Related Parties for the year under review 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 has 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. Omnibus approval of the Audit Committee was obtained for transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are audited by the Audit Committee and a statement giving details of all Related Party Transactions are placed before the Audit Committee and the Board for review and approval on a quarterly basis.

The details of the related party transactions as per Indian Accounting Standards (IND AS) - 24 are set out in Note No. 35 to the Standalone Financial Statements of the Company.

## EXTRACT OF THE ANNUAL RETURN

The extract of annual return in Form MGT-9 as required under Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is appended as an Annexure [B] to this Annual Report. The Annual Return is also available on the website of the Company at <https://atulauto.co.in/annual-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 reenactment(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/annual-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, ensuring environment sustainability, eradicating hunger and poverty 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 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 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

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 Whistleblower Policy is also available on your Company's website at [weblink https://atulauto.co.in/corporate-governance-reports.aspx](https://atulauto.co.in/corporate-governance-reports.aspx).

### CREDIT RATING

The CRISIL has reaffirmed his rating as CRISIL "A" with stable outlook for the cash credit facility of Rs.15 Crores approved to the Company by IDBI Bank Limited. The rating continues to reflect the Company's above-average financial risk profile, marked by low gearing, above average debt protection metrics, improving market share, established distribution network and efficient working capital management.

### 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, 2019 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 helps 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 and the Audit Committee. The Company is not required to constitute Risk Management Committee as per regulation 21 of the Listing Regulations.

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

### INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

In accordance with the 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 the 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 the IEPF is provided in the General Shareholders Information section of this Annual Report.

### OTHER DISCLOSURES

Few statutory disclosures, the Company are required to be disclosed are as under:

- The paid up Equity Share Capital as at March 31, 2019 stood at Rs.10.97 Crore. 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, 2019, 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, 2019.
- 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 Companies' subsidiary;
- 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 cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- 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 the 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 the purchase of its own shares by employees/ Directors or by trustees for the benefit of employees/ Directors.

#### **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**

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

Shapar (Dist. Rajkot)  
August 26, 2019



## Annexure - A

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

[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, 2019 ("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, 2019 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, 2009 and 2018; (Not Applicable to the Company during the Audit period)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not Applicable to the Company during the Audit period)
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the Audit period)
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable to the Company during the Audit period) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable to the Company during the Audit period);
- (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:

- (a) The Motor Vehicles Act, 1988 and the Rules made thereunder
- (b) The Batteries (Management and Handling) Rules, 2001
- (c) The Petroleum Act, 1934 and the Rules made thereunder
- (d) The Ozone Depleting Substances (Regulation and Control) Rules, 2000 and The Ozone Depleting Substances (Regulation and Control) Amendment Rules, 2001
- (e) The Plastic Manufacture, Sale and Usage Rules, 1999

- (f) The Essential Commodities Act, 1955
- (g) The Motor Transport Workers Act, 1961
- (h) The Explosive Act, 1884
- (i) The Environment (Protection) Act, 1986
- (j) The Water (Prevention and Control of Pollution) Act, 1974 and rules made thereunder
- (k) The Air (Prevention and Control of Pollution) Act, 1981 and Rules made thereunder
- (l) Safety standards by Automotive Industry Standard Committee & Bureau of Indian Standards

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) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

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

I further report that -

- (a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

- (b) 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.

- (c) 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 Bunty Hudda & Associates**  
Practising Company Secretaries

**(CS Bunty Hudda)**  
ACS: 31507  
COP: 11560

Shapar (Dist. Rajkot)  
May 25, 2019

## Annexure - B

**EXTRACT OF ANNUAL RETURN**  
**as on the financial year ended on March 31, 2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

A. CIN	: L54100GJ1986PLC016999
B. Registration Date	: June 18, 1986
C. Name of the Company	: Atul Auto Limited
D. Category/ Sub-Category of the Company	: Public Company/ Limited by shares
E. Address of the Registered office and contact details	: 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
F. Whether listed company	: Yes/ <del>No</del>
G. Name, Address and Contact details of Registrar and Transfer Agent, if any	: Sharex Dynamic (India) Pvt. Ltd. C101, 247 Park, LBS Marg, Vikhroli (West), Mumbai, Maharashtra, INDIA 400083 Phone : 022 2851 5606/ 5644 E-Mail: support@sharexindia.com

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

All the business activities contributing 10% or more of the total turnover of the Company are as under:

Sr. No.	Name and Description of main products/ services	NIC Code of the product/ service	% of total turnover of the company
1	Three Wheeler Automobiles	30912	95.87%

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

Sr. No.	Name and Address of the Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	Khushbu Auto Finance Limited	U74999GJ1994PLC022816	Associate	30.00%	2(6)
2	Atul Green Automotive Private Limited	U74999GJ2018PTC100815	Subsidiary	100.00%	2(87)

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

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual	11563810	0	11563810	52.699	11563810	0	11563810	52.699	0.000
(b) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(c) State Govt(s)	0	0	0	0.000	0	0	0	0.000	0.000
(d) Bodies Corp.	0	0	0	0.000	0	0	0	0.000	0.000
(e) Banks/ FIs	0	0	0	0.000	0	0	0	0.000	0.000
(f) Any Other	0	0	0	0.000	0	0	0	0.000	0.000
<b>Sub-total (A) (1)</b>	<b>11563810</b>	<b>0</b>	<b>11563810</b>	<b>52.699</b>	<b>11563810</b>	<b>0</b>	<b>11563810</b>	<b>52.699</b>	<b>0.000</b>
<b>(2) Foreign</b>									
(a) NRI - Individuals	0	0	0	0.000	0	0	0	0	0.000
(b) Other Individuals	0	0	0	0.000	0	0	0	0	0.000
(c) Bodies Corp.	0	0	0	0.000	0	0	0	0	0.000
(d) Banks/ Fis	0	0	0	0.000	0	0	0	0	0.000
(e) Qualified Foreign Investor	0	0	0	0.000	0	0	0	0	0.000
(f) Any Other Specify	0	0	0	0.000	0	0	0	0	0.000
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>
<b>Total shareholding of Promoter (A) = (A)(1)+(A)(2)</b>	<b>11563810</b>	<b>0</b>	<b>11563810</b>	<b>52.699</b>	<b>11563810</b>	<b>0</b>	<b>11563810</b>	<b>52.699</b>	<b>0.000</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	3008625	0	3008625	13.711	3031081	0	3031081	13.813	0.102
(b) Banks / FI	25211	0	25211	0.115	13086	0	13086	0.060	-0.055
(c) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(d) State Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(e) Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0.000
(g) FIs	227617	0	227617	1.037	30204	0	30204	0.138	-0.899
(h) Foreign Venture Capital Funds	0	0	0	0.000	0	0	0	0.000	0.000
(i) Others (specify)	0	0	0	0.000	0	0	0	0.000	0.000
(j) Alternate Inv Fund	799426	0	799426	3.643	1025669	0	1025669	4.674	1.031
<b>Sub-total (B)(1)</b>	<b>4060879</b>	<b>0</b>	<b>4060879</b>	<b>18.506</b>	<b>4100040</b>	<b>0</b>	<b>4100040</b>	<b>18.685</b>	<b>0.179</b>
<b>2. Non-Institutions</b>									
<b>(a) Bodies Corp.</b>									
(i) Indian	776005	0	776005	3.536	709248	0	709248	3.232	-0.304
(ii) Overseas	0	0	0	0.000	0	0	0	0.000	0.000
<b>(b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs.1 lakh	3374170	131492	3505662	15.976	3317386	110442	3427828	15.621	-0.355
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	714271	0	714271	3.255	690125	0	690125	3.145	-0.110

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(c) Other (specify)</b>									
Non Resident Indians	603175	550628	1153803	5.258	868020	417428	1285448	5.858	0.600
Overseas Corporate Bodies	0	0	0	0.000	0	0	0	0.000	0.000
Foreign Nationals	951	0	951	0.004	951	0	951	0.004	0.000
Clearing Members	13530	0	13530	0.062	40588	0	40588	0.185	0.123
Trusts	1250	0	1250	0.006	0	0	0	0.000	-0.006
Foreign Boodies - D R	0	0	0	0.000	0	0	0	0.000	0.000
NBFCs Reg With RBI	250	0	250	0.001	525	0	525	0.002	0.001
HUF	130531	0	130531	0.596	102379	0	102379	0.468	-0.128
IEPF	22258	0	22258	0.101	22258	0	22258	0.101	0.000
<b>Sub-total (B)(2)</b>	<b>5636391</b>	<b>682120</b>	<b>6318511</b>	<b>28.795</b>	<b>5751480</b>	<b>527870</b>	<b>6279350</b>	<b>28.616</b>	<b>-0.179</b>
<b>Total Public Shareholding (B)=(B)(1) + (B)(2)</b>	<b>9697270</b>	<b>682120</b>	<b>10379390</b>	<b>47.301</b>	<b>9851520</b>	<b>527870</b>	<b>10379390</b>	<b>47.301</b>	<b>0.000</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.000</b>	<b>0.000</b>
<b>Grand Total (A+B+C)</b>	<b>21261080</b>	<b>682120</b>	<b>21943200</b>	<b>100.000</b>	<b>21415330</b>	<b>527870</b>	<b>21943200</b>	<b>100.000</b>	<b>0.000</b>

## ii) Shareholding of Promoters

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changes in share holding during the year
		No. of Shares	% of total Shares of the company	% of shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of shares Pledged/encumbered to total shares	
1	Maheshbhai Jagjivandas Chandra	1969242	8.974	0	1969242	8.974	0	0
2	Jayantibhai Jagjivandas Chandra	1351742	6.160	0	1351742	6.160	0	0
3	Dharmendrabhai Jagjivandas Chandra	1267326	5.776	0	1267326	5.776	0	0
4	Harishbhai Jagjivandas Chandra	1164786	5.308	0	1164786	5.308	0	0
5	Bharat Jagjivandas Chandra	975906	4.447	0	975906	4.447	0	0
6	Manishaben Atulkumar Chandra	932220	4.248	0	932220	4.248	0	0
7	Ramaben Jamnadas Patel	315488	1.438	0	315488	1.438	0	0
8	Mahendrakumar Jamnadas Patel	277848	1.266	0	277848	1.266	0	0
9	Prafullaben Jayantibhai Chandra	269686	1.229	0	269686	1.229	0	0
10	Rekhaben Maheshbhai Chandra	255300	1.164	0	255300	1.164	0	0
11	Ushaben Dharmendrabhai Chandra	244274	1.113	0	244274	1.113	0	0
12	Vasantraai Kurjibhai Patel	228000	1.039	0	228000	1.039	0	0
13	Chetankumar Vasantraai Patel	220536	1.005	0	220536	1.005	0	0
14	Harshaben Harishbhai Chandra	211800	0.965	0	211800	0.965	0	0
15	Krunal J. Chandra	202650	0.924	0	202650	0.924	0	0
16	Manjulaben Vasantraai Patel	191304	0.872	0	191304	0.872	0	0
17	Ramaben Dayalal Patel	161504	0.736	0	161504	0.736	0	0
18	Hetal Alpesh Chandra	153720	0.701	0	153720	0.701	0	0
19	Alpesh Bharatbhai Chandra	146160	0.666	0	146160	0.666	0	0
20	Kapilaben Bharatbhai Chandra	141504	0.645	0	141504	0.645	0	0
21	Hiren Vasantraai Patel	138960	0.633	0	138960	0.633	0	0
22	Ashokkumar Jamnadas Patel	136944	0.624	0	136944	0.624	0	0
23	Anita Nirajbhai Chandra	131000	0.597	0	131000	0.597	0	0
24	Krishnaben Chetankumar Patel	127368	0.580	0	127368	0.580	0	0
25	Minaben Ashokkumar Patel	121712	0.555	0	121712	0.555	0	0
26	Manishaben Mahendrakumar Patel	121712	0.555	0	121712	0.555	0	0
27	Niraj Jayantibhai Chandra	105118	0.479	0	105118	0.479	0	0

### iii) Change in Promoters' Shareholding

There is no change in the Promoters' Shareholding during the financial year 2018-19.

### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr. No	Name	No. of Shares at the beginning/ end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
1	HDFC SMALL CAP FUND	1215135	5.538	01-04-2018				
				20-04-2018	1500	Buy	1216635	5.544
				31-03-2019			1216635	5.544
	Closing Balance							
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND	631100	2.876	01-04-2018				
				06-04-2018	18900	Buy	650000	2.962
				13-04-2018	50000	Buy	700000	3.190
				13-07-2018	40000	Buy	740000	3.372
				20-07-2018	35000	Buy	775000	3.532
				12-10-2018	57688	Buy	832688	3.795
				01-02-2019	8500	Buy	841188	3.833
	Closing Balance			31-03-2019			841188	3.833
3	HDFC TRUSTEE COMPANY LTD - A/C HDFC HYBRID EQUITY FUND	0	0	01-04-2018				
				08-06-2018	581386	Buy	581386	2.650
	Closing Balance			31-03-2019			581386	2.650
4	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	427003	1.946	01-04-2018				
				31-03-2019		No Change	427003	1.946
5	KEDIA SECURITIES PRIVATE LIMITED	253451	1.155	01-04-2018				
				31-03-2019		No Change	253451	1.155
6	ASHMORE INDIA OPPORTUNITIES FUND	236441	1.078	01-04-2018				
				31-03-2019		No Change	236441	1.078
7	DAYALAL GORDHANDAS PATEL	180969	0.825	01-04-2018				
				31-03-2019		No Change	180969	0.825
8	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE DIVIDEND YIELD FUND	256351	1.168	01-04-2018				
				06-04-2018	-50000	Sold	206351	0.940
				13-07-2018	-31132	Sold	175219	0.799
	Closing Balance			31-03-2019			175219	0.799
9	EMKAY EMERGING STARS FUND	0	0	01-04-2018				
				27-04-2018	22082	Buy	22082	0.101
				04-05-2018	7400	Buy	29482	0.134
				11-05-2018	21402	Buy	50884	0.232
				18-05-2018	13632	Buy	64516	0.294
				25-05-2018	12581	Buy	77097	0.351
				01-06-2018	8207	Buy	85304	0.389
				08-06-2018	7287	Buy	92591	0.422
				15-06-2018	11329	Buy	103920	0.474
				29-06-2018	4000	Buy	107920	0.492
	06-07-2018	4633	Buy	112553	0.513			
	20-07-2018	9089	Buy	121642	0.554			
	27-07-2018	7278	Buy	128920	0.588			

Sr. No	Name	No. of Shares at the beginning/ end of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. of shares	% of total Shares of the company
				28-09-2018	11726	Buy	140646	0.641
				05-10-2018	7542	Buy	148188	0.675
				12-10-2018	5732	Buy	153920	0.701
	Closing Balance			31-03-2019			153920	0.701
10	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	135982	0.620	01-04-2018				
	Closing Balance			31-03-2019		No Change	135982	0.620
11	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	581386	2.650	01-04-2018				
	Closing Balance			05-06-2018	-581386	Sold	0	0.000
12	EM RESURGENT FUND	138756	0.632	01-04-2018				
	Closing Balance			19-04-2018	-138756	Sold	0	0.000

#### v) Shareholding of Directors and Key Managerial Personnel

Sr. No	Name	Shareholding at the beginning of the year 01.04.2018		Date	Increasing/ Decreasing in shareholding	Reason	Cumulative Shareholding at the end of the year 31.03.2019	
		No. of Shares at the beginning	% of total Shares of the company				No. of shares	% of total Shares of the company
1	Jayantibhai J Chandra Chairman and Managing Director	1351742	0.062		No change		1351742	0.062
2	Mahendra J Patel Whole-time Director & CFO	277848	0.013		No change		277848	0.013
3	Niraj J Chandra Whole-time Director	105118	0.005		No change		105118	0.005
4	Vijay K Kedia Non-Executive Director	0	0.000		No change		0	0.000
5	Hakubhai Lalakiya Independent Director	0	0.000		No change		0	0.000
6	Hasmukhbhai Adhvaryoo Independent Director	0	0.000		No change		0	0.000
7	Hemantkumar Bhatt Independent Director	0	0.000		No change		0	0.000
8	Margie S Parikh Independent Director	0	0.000		No change		0	0.000
9	Aarti J Juneja Independent Director (Additional)	0	0.000		No change		0	0.000
10	Paras J Virangama Company Secretary & Compliance Officer	0	0.000		No change		0	0.000

## V. INDEBTEDNESS

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

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

NIL

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager for the Financial Year 2018-19:

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager			Total Amount (Rs.)
		J J Chandra (Chairman and Managing Director)	M J Patel (Whole-time Director and CFO)	Niraj J Chandra (Whole-time Director)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,37,80,000	1,19,60,000	58,60,000	3,16,00,000
	(b) Value of perquisites u/s 17(2) of the Income-tax, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0	0	0
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission as % of profit others, specify...	0	0	0	0
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	1,37,80,000	1,19,60,000	58,60,000	3,16,00,000
	Ceiling as per the Act (being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)				8,49,31,941



**B. Remuneration to other directors**

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
		Hakubhai Lalakiya	Hasmukh Adhvaryoo	Hemant Bhatt	Margie Parikh	Aarti Juneja	
1	Independent Directors						
	Fees for attending board committee meetings	1,38,500	1,02,500	82,500	1,38,500	15,000	4,77,000
	• Commission	0	0	0	0	0	0
	• Others, please specify: Fees for attending Meetings of Independent Directors	7,000	7,000	7,000	7,000	0	28,000
	Total (1)	1,45,500	1,09,500	89,500	1,45,500	15,000	5,05,000
2	Other Non-Executive Directors	Vijay K Kedia					
	• Fees for attending board committee meetings	42,500					42,500
	• Commission	0					0
	• Others, please specify	0					0
	Total (2)	42,500					42,500
	Total (B) = (1+2)						5,47,500
	Total Managerial Remuneration (A+B)						3,21,47,500
	Overall ceiling as per the Act (being 11% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)						9,34,25,135

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	5,73,180
	(b) Value of perquisites u/s 17(2) of the Income-tax, 1961	0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0
2	Stock Option	NIL
3	Sweat Equity	NIL
4	Commission as % of profit others, specify...	0
5	Others, please specify	NIL
	Total	5,73,180

**Note:**

- No one has been designated as CEO in the Company.
- Mr. Mahendra J Patel, Whole-time Director has been designated as Whole-time Director and CFO of the Company whose remuneration has been provided in VI (A) above.

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

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

NIL

## Annexure - C

**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 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2018-19 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	J J Chandra	Chairman and Managing Director	71.74	8.33%
2	Mahendra J Patel	Whole-time Director & CFO	62.27	8.33%
3	Niraj J Chandra	Whole-time Director	30.51	13.57%
4	Vijay K Kedia	Non-Executive Director	0.22	13.33%
5	Hakubhai Lalakiya	Independent Director	0.76	-0.68
6	Hasmukhbhai Adhvaryoo	Independent Director	0.57	-25.26%
7	Hemantkumar Bhatt	Independent Director	0.47	-26.94%
8	Margie Parikh	Independent Director	0.76	8.58%
9	Aarti Juneja	Independent Director (Additional)	\$	\$
10	Paras J Viramgama	Company Secretary and Compliance Officer	2.98	18.00%

\$ Percentage increase/decrease in remuneration and ratio is not reported as she was holding Directorship for the part of the financial year 2018-19.

# 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 during the financial year which primarily depend upon number of meetings attended.

- (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 Rs.1,92,072 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, there was an increase of 6.88% in the median remuneration of employees.

- (iv) The number of permanent employees on the rolls of Company:

There were 927 permanent employees on the rolls of the Company as on March 31, 2019.

- (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

Average percentage increase made in the salaries of employees other than the managerial personnel in the last Financial Year i.e. 2018-19 was 10.91% whereas there was an increase of 10.08% in the managerial remuneration during FY 2018-19.

The remuneration of Non-Executive Director and Independent Directors consist of sitting fees only. While deciding the remuneration, various factors such as Director's participation in Board and Committee Meetings during the year, other responsibilities undertaken, such as Membership or Chairmanship of Committees, etc. were taken into consideration.

- (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 the financial year ended on March 31, 2019

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

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects

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, 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 award ceremony which encourages people for promotion of their art and culture.

### Environmental Sustainability

Environmental sustainability has now turned into the keys issue 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.

### 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.

### Measures for the benefit of war widows and their dependents

Given its size, geo-strategic location and potential to grow as a super power economy, India has to protect itself from cross border attacks, terrorism and infiltration. The forces are very much active and supportive in every other adversity be it disaster, floods, earthquakes, cyclones or rescue operations. The Company explores various avenues to support and honor the supreme sacrifice made by the armed forces and their families to the country by caring for the widows and dependents of armed forces.

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>.

2. The Composition of the CSR Committee as on March 31, 2019:

Mr. Jayantibhai J Chandra	Chairman
Mr. Hakubhai Lalakiya	Member
Mr. Hasmukhbhai Adhvaryoo	Member

Mr. Paras Viramgama acts as Secretary to the Committee.

- |  |                     |
|--|---------------------|
| 3. Average net profit of the Company for last three financial years                    | : Rs.65,83,25,987/- |
| 4. Prescribed CSR expenditure<br>(two percent of the amount mentioned in item 3 above) | : Rs.1,31,66,520/-  |
| 5. Details of CSR spent during the financial year                                      |                     |
| a. Total amount to be spent for the financial year 2018-19                             | : Rs.1,31,66,520/-  |
| b. Amount unspent, if any  | : Rs.29,83,520/-    |
| c. Manner in which the amount spent during the financial year                          | : As detailed below |

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR Project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs	Cumulative expenditure up to the reporting period	Amount spent: Direct or through implementing agency
1	Providing Free Meals to Poor People especially Children, Women etc. and Distribution of Food Packets and other items during Flood and Other Natural Disaster	Eradicating hunger, poverty	Saurashtra Region, Gujarat	65,00,000	53,00,000	53,00,000	Through implementing
2	Promoting education by providing educational materials, setting up of libraries, scholarships, coaching classes, computer hardware and software for smart classes including education for differently abled children	Promoting Education	Saurashtra Region, Gujarat	15,00,000	5,30,000	5,30,000	Through implementing agency
3	Prevention of diseases - Health Check-up, Health Awareness Camp, Distribution of Vaccine Providing Infrastructure etc.	Promoting Preventive Healthcare	Saurashtra Region, Gujarat	5,00,000	3,52,000	3,52,000	Through implementing agency
4	Promoting national heritage, art and culture	Promotion of Culture	Saurashtra Region, Gujarat	4,00,000	2,51,000	2,51,000	Direct and Through implementing
5	Sujalam Sufalam Jal Abhiyan	Ensuring Environment Sustainability	Saurashtra Region, Gujarat	3,00,000	2,00,000	2,00,000	Through implementing agency
6	Measures for the benefit of war widows and dependents	Measures for the benefit of war widows and dependents	India	40,00,000	35,50,000	35,50,000	Through implementing agency
			<b>Total</b>	<b>1,32,00,000</b>	<b>1,01,83,000</b>	<b>1,01,83,000</b>	

\* Details Of Implementing Agency: Atul Chandra Charitable Trust, Meenraj J N B Edu. & Cha. Trust, Meenraj Sarvoday Sanskar Kendra, Meenraj Saswati Edu. Trust, Shree Chitrakutdham Trust, Hope Welfare Foundation, Aadhya Kavi Narsinh Mehta Sahitya Nidhi, Avval Foundation, Shree Sadguru Parivar Trust, Aekrang Childrens Development Institute, Jan Kalyan Charitable Trust, Sujalam Sufalam Jal Abhiyan

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.

The Company spends amount on long term projects keeping in mind sustainability, impact on the recipients and efficacy of implementing agencies. The Company is focusing on select projects to ensure maximum impact to society. The Company also spends actively in various communities and on social initiatives in the countries it operates in. These expenditures, while in the nature of CSR spend, do not qualify under Section 135 of the Companies Act 2013.

7. A responsibility statement of the CSR Committee:

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

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

[Pursuant to Section 134 of the Companies Act, 2013 and Rule 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. Due to Company's constant efforts, the consumption of units of power per vehicle could be decreased drastically from 106.33 units in FY 2017-18 to 90.40 units in FY 2018-19.

Particulars	2018-19	2017-18
Electricity purchased		
Units	45,34,220	45,35,720
Amount (Rs.)	3,67,11,381	3,58,18,798
Production in no.	50,153	42,660
Unit consumed per unit of production	90.40	106.33

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 various 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 good amount in R&D activities in financial year 2018-19. The figures of the same are as under:

(Rs. in Lacs)

Particulars	2018-19	2017-18
Revenue expenditure	209.37	322.21
Capital expenditure	Nil	Nil
Total	209.37	322.21

The Company gets benefits in the form of upgradation of the existing products due to these technology absorption attempts of the Company.

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

Sr. No.	Technology Imported	Year of Import	Status
1	Co-ordinate Measuring Machine	2017	Technology Absorbed
2	Horizontal Machining Center for machining of parts	2018	Technology Absorbed
3	Vertical Machining Center for machining of parts	2018	Technology Absorbed
4	Indimicro 602 (Indicating System) for engine testing	2019	In process of installation on March 31, 2019

### 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 face 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, 9.68% 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:

(Rs. in Lacs)

Particulars	2018-19
Earning	4,881
Expenditure	2,137
Net Foreign Exchange Earning (NFE)	2,744
NFE/Earning (%)	56.22%

# 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 fulfills the public trust and confidence. It is not just a compliance with laws, instead it is important business investment which is not only necessary to preserve your Company's reputation but also crucial for obtaining and retaining the business.

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.

A Report on compliance with the Corporate Governance provisions as prescribed under the Listing Regulations is given herein below:

### 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 Board has delegated the operational conduct of the business to the Chairman and Managing Director of the Company. 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 your Company has a good mix of Executive and Non-Executive Directors with more than half of the Board of the Company comprising Independent Directors. As on March 31, 2019, the Board comprise of nine Directors comprising three Executive Directors including Chairman, one Non-Executive Director and five Independent Directors including Two Women Directors. 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 she / he 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, 2019

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, 2019 are provided herein below:

DIN	Name of Director	Date of Joining the Board	No. of shares held in the Company	Directorship in other Companies*	Names of Other Listed Entity (Type of Directorship)	Membership on Committees in other Companies <sup>#</sup>	Chairmanship on Committees in other Companies <sup>#</sup>	Inter-Se Relations
<b>Executive Directors</b>								
00057722	Jayantibhai J Chandra Chairman & Managing Director	18.06.1986	13,51,742	--	--	--	--	Father of Mr. Niraj J Chandra
00057735	Mahendra J Patel Whole-time Director & CFO	31.11.1994	2,77,848	--	--	--	--	--
00065159	Niraj 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	--	2	Lykis Limited (Non-Executive Non-Independent Director & Chairman)	--	--	--

## DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) AND OTHER DETAILS AS ON MARCH 31, 2019 (Contd.)

DIN	Name of Director	Date of Joining the Board	No. of shares held in the Company	Directorship in other Companies*	Names of Other Listed Entity (Type of Directorship)	Membership on Committees in other Companies <sup>#</sup>	Chairmanship on Committees in other Companies <sup>#</sup>	Inter-Se Relations
Independent Directors								
00357726	Hakubhai Lalakiya	31.05.2006	--	--	--	--	--	--
06456067	Hasmukhbhai Adhvaryoo	27.12.2012	--	--	--	--	--	--
02657432	Hemantkumar Bhatt	27.12.2012	--	1	Transpek Industry Limited (Independent Director)	2	--	--
07056179	Margie S Parikh	19.01.2015	--	--	--	--	--	--
06872059	Aarti J Juneja (Additional)	09.02.2019	--	--	--	--	--	--

\* 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 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. All Directors, except Independent Directors of the Company, are liable to retire by rotation at the AGM each year 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. J J Chandra 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 terms of Mr. Hakubhai Lalakiya, Mr. Hasmukhbhai Adhvaryoo and Mr. Hemant Bhatt, Independent Directors of the Company expires on August 11, 2019. As mentioned in Directors and KMP section of Board's Report, the Board has accepted the resignation with effect from July 17, 2019 and decided to ratify continuance of directorship of Mr. Hasmukhbhai H Adhvaryoo for the period April 01, 2019 to July 17, 2019 by passing special resolution in the forthcoming AGM of the company and the same has been proposed at item no.7.

To fill the vacancy, Nomination and Remuneration Committee of the Company had been hunting for the right candidates. The Board of Directors, on the recommendation of Nomination and Remuneration Committee, appointed Ms. Aarti J Juneja (DIN: 06872059), Mr. Mohanjit Singh Walia (DIN: 08535435) and Mr. Jaichander Swaminathan

(DIN: 08537472) as Additional Independent Directors of the Company with effect from February 09, 2019, August 10, 2019 and August 26, 2019 respectively. These three Additional Independent Directors shall hold the office till the upcoming AGM. The Nomination and Remuneration Committee has recommended the regularization of office of all three Independent Directors in upcoming AGM. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing their candidatures for the office of Directors. The brief profiles of them are annexed to the notice of AGM. In accordance with the provisions of Regulation 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.

### 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.

Four 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
	May 19, 2018	August 06, 2018	November 05, 2018	February 09, 2019	September 28, 2018
J J Chandra	Y	Y	Y	Y	N
Mahendra J Patel	Y	N	Y	Y	Y
Niraj J Chandra	Y	Y	Y	Y	Y
Vijay K Kedia	Y	N	Y	Y	N
Hakubhai Lalakiya	Y	Y	Y	Y	Y
Hasmukhbhai Adhvaryoo	Y	Y	Y	N	N
Hemant Bhatt	Y	N	Y	Y	Y
Margie Parikh	Y	Y	Y	Y	N
Aarti Juneja	NA	NA	NA	Y	NA

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

#### 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 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 Regulation 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

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, 2019, the Independent Directors met on February 08, 2019. 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.

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

#### 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, Listing Regulation 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. Three such sessions around two 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. Niraj 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 performance evaluation 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 2018-19. 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 President - Finance. 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 25, 2019, 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.

The following is the list of core skills/expertise/competencies identified by the Board of 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.

- Sales and Marketing: Experience in sales and marketing management based on understanding of the consumer & automobile industry
- International Business experience: Experience in leading businesses in different geographies/ markets around the world
- Manufacturing experience: Experience in getting quality products manufactured, its testing, homologation, designing, upgradations etc.
- General management/ Governance: Strategic thinking, decision making and protect interest of all stakeholders
- Financial skills: Understanding the financial statements, financial controls, risk management, taxes and duties, mergers and acquisition etc.
- Technical skills and professional skills and knowledge including legal and regulatory aspects.

#### 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 outcomes 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 four times during the financial year 2018-19. 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 2018-19 are detailed below:

Meeting Dates\ Directors	Hemant Bhatt, Chairman	Hakubhai Lalakiya, Member	Margie Parikh, Member
19.05.2018	Y	Y	Y
06.08.2018	N	Y	Y
05.11.2018	Y	Y	Y
09.02.2019	Y	Y	Y

Y: Attended, N: Not Attended

Ms. Aarti J Juneja has been inducted as member of Audit Committee after her appointment as Additional Independent Director. All the members of the Committee have relevant experience in financial matters.

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 next meeting of the Board. 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 2018- 19 is detailed below:

Meeting Dates\ Directors	Hasmukh Adhvaryoo, Chairman	Hakubhai Lalakiya, Member	Margie Parikh, Member
19.05.2018	Y	Y	Y
06.08.2018	Y	Y	Y
05.11.2018	Y	Y	Y
09.02.2019	N	Y	Y

Y: Attended, N: Not Attended

Ms. Aarti J Juneja has been inducted as member of Nomination and Remuneration Committee after her appointment as Additional Independent Director.

The composition, powers, role and terms of reference of the Nomination and Remuneration Committee are as per the SEBI Listing Regulations, 2015 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 Remuneration Committee 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 1.16% equity shares of the Company by Kedia Securities Private Limited in which Mr. Vijay Kedia is interested.
- During financial year 2018-19, the Company has neither any transaction with Non-Executive Directors nor made any payments except payment of sitting fees.
- The Executive Directors have not been paid any commission, performance linked incentives or given any stock option during financial year 2018-19.
- The bifurcation of fixed component of the remuneration package has been mentioned in the extract of annual return as part of the Annual Report which is recommended by Nomination and Remuneration Committee, subsequently approved by the Board of Directors and Shareholders at a General Meeting.
- The contract period of employment for Mr. Jayantibhai J Chandra and Mr. Mahendra J Patel is of three years from April 01, 2019 to March 31, 2022 whereas it is from thirtieth AGM to March 31, 2021 for Mr. Niraj J Chandra.
- The notice period applicable to all three executive directors is three months.

#### 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 2018-19 is detailed below:

Meeting Dates\ Directors	Margie Parikh, Chairperson	Hasmukh Adhvaryoo, Member	Hemant Bhatt, Member
19.05.2018	Y	Y	Y
06.08.2018	Y	Y	N
05.11.2018	Y	Y	Y
09.02.2019	Y	N	Y

Y: Attended, N: Not Attended

Ms. Aarti J Juneja has been inducted as member of Stakeholders Relationship Committee after her appointment as Additional Independent Director.

The role of Stakeholders' Relationship Committee includes resolving the grievances of Members, ensuring expeditious share transfer/ transmission 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 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 transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

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

Mr. Paras J. Viramgama, Company Secretary, is the Compliance Officer for resolution of Shareholder's/ Investor's complaints. During the Financial Year ended March 31, 2019, four complaints were received from the shareholders and resolved during the year. No complaint was pending or unresolved to the satisfaction of the shareholder as on March 31, 2019.

#### **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 2018-19 is detailed below:

Meeting Dates\ Directors	J J Chandra, Chairman	Hakubhai Lalakiya, Member	Hasmukh Adhvaryoo, Member
19.05.2018	Y	Y	Y
06.08.2018	Y	Y	Y
05.11.2018	Y	Y	Y
09.02.2019	Y	Y	N

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 Committee and acted as secretary to all Committee meetings held during the year.

#### **C. GOVERNANCE OF SUBSIDIARY COMPANY**

The Board of Directors of the Company is responsible for governance of the subsidiary company namely Atul Green Automotive Private Limited incorporated in the month of January 2018. The minutes of the Board Meetings of the subsidiary company along with the details of significant transactions and arrangements entered into by the subsidiary company are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary company are presented to the Audit Committee.

The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding ten percent of the consolidated net worth or income of ten percent of the consolidated income of your Company.

#### **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 Regulation, 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 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 the Management Committee. Your Company has adopted a Code of Conduct for members of the Board and the Senior 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, 2019. 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, your 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 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). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were made effective from April 01, 2019.

The Board of Director at their meeting held on February 09, 2019, approved formulation/ amendments to the aforesaid.

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>

#### POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

Your Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the 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 Audit Committee with Board of Directors has framed the Risk Management Policy. The implementation and monitoring of the same is being reviewed periodically by the Board.

**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 said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year.

The Company has engaged the services of CS Bunty Hudda, M/s. Hudda & Associates, Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification. The said report has been submitted with the stock exchanges within the provided time-limit.

**Total fees paid to Statutory Auditors of the Company:** Total fees of Rs.6.78 Lacs for financial year 2018-19, 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 and proactive vendor development practices. 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 2018-19 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 their meeting held on May 25, 2019.

**Certificate on Non-Disqualification of Directors:** The Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Bunty Hudda, M/s. 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 May 25, 2019. 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:** Not Applicable

**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, 2019 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, your 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
2015-16	September 16, 2016 11:00 am	Registered Office	Extension of term of Mr. Hakubhai Lalakiya, Independent Director Extension of term of Mr. Hasmukhbhai Adhvaryoo, Independent Director Extension of term of Mr. Hemantkumar Bhatt, Independent Director Reappointment of Mr. J J Chandra, Chairman & Managing Director with increase in remuneration Reappointment of Mr. M J Patel, Whole-time Director & CFO with increase in remuneration Increase in Remuneration of Mr. Niraj Chandra, Whole-time Director
2016-17	September 29, 2017 11:00 am	Registered Office	No special resolutions were passed at this meeting
2017-18	September 28, 2018 11:00 am	Registered Office	Reappointment of Mr. J J Chandra, Chairman & Managing Director with increase in remuneration Reappointment of Mr. M J Patel, Whole-time Director & CFO with increase in remuneration Reappointment of Mr. Niraj Chandra, Whole-time Director with increase in remuneration Approval to deliver document through a particular mode as may be sought by the member.

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

### ANNUAL GENERAL MEETING FOR FY 2018-19:

Date	: Monday, September 30, 2019
Time	: 11:00 am
Venue	: Registered Office of the Company: Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024

### DATE OF BOOK CLOSURE:

From	: September 24, 2019
To	: September 30, 2019

### DIVIDEND DETAILS:

#### Interim Dividend@ Rs.2.75 for FY 2018-19

Declared by the Board of Directors	: November 05, 2018
Paid on	: November 22, 2018

#### Final Dividend @ Rs.1.25 for FY 2018-19

Recommended by the Board of Directors	: May 25, 2019
Subject to declaration in AGM on	: September 30, 2019
To be Paid by	: October 29, 2019

### FINANCIAL YEAR:

From 1st April, 2018 to 31st March, 2019

### LISTING DETAILS:

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

### ISIN

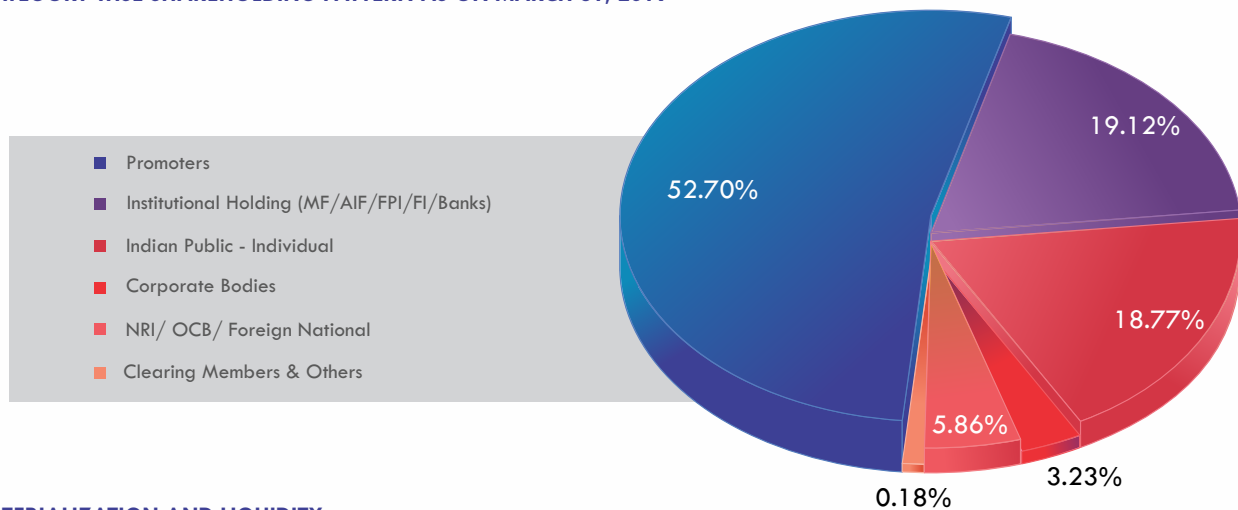
ISIN for equity share of Rs.5/- each : INE951D01028

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, 2019.

**DISTRIBUTION OF SHAREHOLDING**

Distribution of shareholding of shares of the Company as on March 31, 2019 is as follows:

No. of Shares		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Shares	% of Shares
-	100	15475	73.31%	549929	2.51%
101	200	2039	9.66%	326462	1.49%
201	500	1946	9.22%	648117	2.95%
501	1000	871	4.13%	631242	2.88%
1001	5000	623	2.95%	1283709	5.85%
5001	10000	51	0.24%	381541	1.74%
10001	100000	64	0.30%	1709688	7.79%
100001	ABOVE	39	0.19%	16412512	74.79%
		21108	100.00%	21943200	100.00%

**CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2019****DEMATERIALIZATION AND LIQUIDITY**

The break-up of shares in physical and dematerialized form as on March 31, 2019 are as under:

Mode of Holding	No. of shares	% of shares
Physical Mode	5,27,870	2.40%
NSDL Holding	1,74,24,787	79.41%
CDSL Holding	39,90,543	18.19%
Total	2,19,43,200	100.00%

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

Unclaimed Dividend/ Shares Pursuant to the 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 then 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) (IEPF Rules) 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. The Company has sent out individual communication to the concerned Members whose shares are

liable to be transferred to IEPFA, to take immediate action in the matter. As required under the IEPF Rules, the Company has also published a Notice informing the Members' who have not claimed their dividend for a period of 7 years to claim the same from the Company before they are transferred to IEPFA.

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Rs.1,64,840/- of unpaid / unclaimed dividend transferred during the financial year 2018-19 to the Investor Education and Protection Fund and no shares were required to be transferred.

The Company has appointed 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>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on date of last AGM on the Company's website <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. Sharex Dynamic (India) Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transfer of shares, 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 transfer of shares, 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 transfers, transmissions, deletion requests etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under regulation 49 of the Listing Regulations and files a copy of the said certificate with Stock Exchanges.

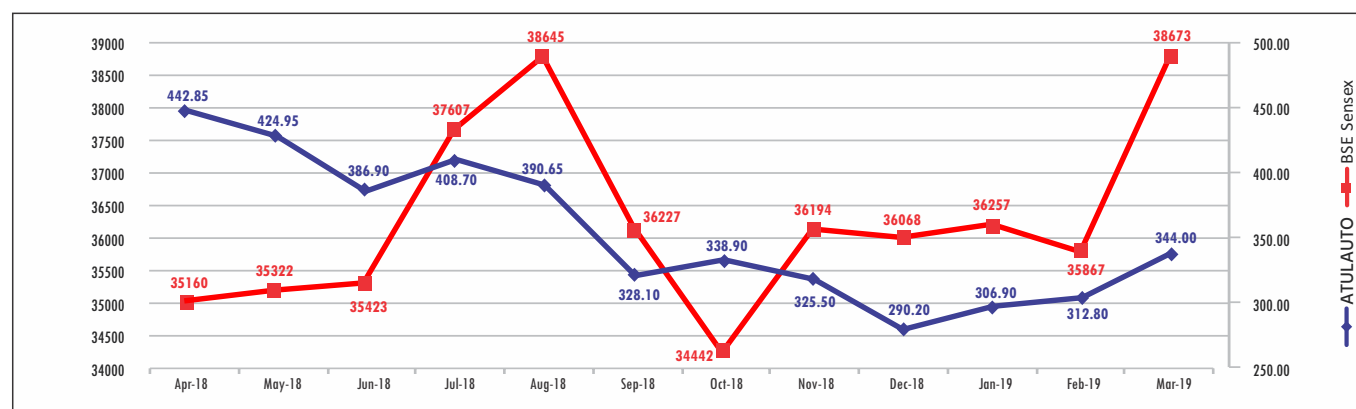
## MARKET PRICE DATA:

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2019 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-18	466.00	423.40	41,543	466.75	421.55	6,60,173
May-18	458.20	346.00	31,641	461.00	420.00	2,42,401
Jun-18	446.85	378.00	48,681	447.65	376.00	2,79,594
Jul-18	419.35	380.00	43,751	417.95	372.75	4,33,352
Aug-18	448.90	380.00	68,972	450.00	382.30	4,83,783
Sep-18	421.00	321.00	51,488	398.95	322.00	4,46,451
Oct-18	350.00	266.95	68,134	350.30	269.00	3,97,864
Nov-18	373.00	323.25	66,556	375.00	320.10	2,78,326
Dec-18	332.50	284.60	65,438	334.95	283.00	2,08,226
Jan-19	370.00	293.60	4,64,502	369.70	291.05	36,97,146
Feb-19	319.95	276.20	61,859	315.50	282.30	3,07,889
Mar-19	354.70	316.60	60,195	351.05	315.10	5,41,943

## PERFORMANCE IN COMPARISON TO BROAD-BASED INDICE

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of BSE Sensex for the financial year ended March 31, 2019 (based on month end closing):





## MEANS OF COMMUNICATIONS

### Publication of quarterly financial results:

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

### 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:

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the 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 the shares of the Company, correspondence may please be addressed to the Company's Registrars & Share Transfer Agent:

#### Sharex Dynamic (India) Private Limited

C101, 247 Park, LBS Marg,  
Vikhroli (West),  
Mumbai - 400083  
Phone : 022-2851 5606/5644  
E-Mail : [support@sharexindia.com](mailto:support@sharexindia.com)  
Web : [www.sharexindia.com](http://www.sharexindia.com)

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

#### Atul Auto Limited

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

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

#### Upcoming Plant: Ahmedabad Plant

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, 2019

### DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2019.

Shapar (Dist. Rajkot)  
May 25, 2019

J 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. J J Chandra, Chairman and Managing Director and Mr. Mahendra J Patel, Whole-time Director & CFO of Atul Auto Limited hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2019 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.

Shapar (Dist. Rajkot)  
May 25, 2019

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

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

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

In pursuance of Regulation 34(3) and sub clause (i) of clause 10 of para C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Atul Auto Limited (L54100GJ1986PLC016999), I hereby certify that:

On the basis of written representation/ declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2019, none of the directors on the board of the Company has been debarred or disqualified from being appointed or continuing as director of the companies by the SEBI/ Ministry of Corporate Affairs or any such other authority.

Shapar (Dist. Rajkot)  
May 25, 2019

(CS Buntly Hudda)  
Membership No: ACS 31507 CP No: 11560

**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 September 28, 2018.
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, 2019, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**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, 2019.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by 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. We draw your kind attention towards APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS & TENURE section of corporate governance report, wherein company has received letter from National Stock Exchange asking for clarification in respect of non-compliance on account of continuation of directorship of Mr. Hasmukhbhai Adhavryoo from April 01, 2019 in spite of he being achieved maximum age limit of 75 years. In response to that the Company has submitted the clarification to NSE with the proof of ordinary resolution passed in 28th AGM on September 16, 2016 with special majority in respect of extension of his term up to August 11, 2019, Mr. Hasmukh Adhavryoo has voluntarily given his resignation on July 17, 2019 and thus even though the said observation is corrected by passing resolution and we have been given to understand that it is proposed that it is to be ratified by passing Special Resolution in forthcoming Annual General Meeting of the company.
9. Subject to above and in our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
10. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Kamlesh Rathod**  
Partner

Membership No: 101046

UDIN: 19101046AAAAAN6672

Shapar (Dist. Rajkot)  
August 10, 2019

# INDEPENDENT AUDITORS' REPORT

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

To the Members of ATUL AUTO LIMITED

### Report on Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Ind AS Standalone financial statements of ATUL AUTO LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2019, 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 31 March 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone 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 Standalone 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 standalone 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 standalone financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone 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 standalone financial statements.

Key Audit Matters	How our audit addressed the key audit matter
<p><b>Revenue Recognition</b></p> <p>Company's revenue is primarily derived from sale of three wheelers vehicles through dealership channels, domestically and internationally.</p> <p>We focused on existence and appropriate recognition of revenue as a key audit matters as it is key contributor to the determination of profit</p> <p>Refer Notes 1.2 of Significant accounting policies and Note 19 to Standalone Financial Statements</p>	<p>Our testing of revenue transactions focused on evidencing that the underlying transactions had occurred in the period.</p> <p><b>Our procedure included:</b></p> <ul style="list-style-type: none"> <li>• We developed an understanding of the systems, controls and processes associated the recording of sales transactions.</li> <li>• We analysed the Company accounting policies for revenue recognition, including the criteria for revenue recognition and sales incentives classification.</li> <li>• We analysed the terms of dealer agreements also covering rewards related to sales incentives.</li> <li>• Test of detail to confirm the existence of revenue by agreeing the sample of revenue transaction to supporting documentation.</li> <li>• Where delayed delivery was identified we considered whether the company had transferred the inventory risk to the customer before the date of audit report.</li> </ul>

### 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.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these standalone Ind AS financial statement to give a true and fair view of the financial position, financial performance which includes other comprehensive income, statement of cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, ("Ind AS") as amended. 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 control, 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.

### Auditors' Responsibility for the Standalone 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 skepticism 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we considered appropriate and according to the information and explanations given to us, 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, based on our audit 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. 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 relevant books of account.
- d. In our opinion, the aforesaid standalone Financial Statement comply with the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the company with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
- 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 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 company has disclosed the impact, if any, of pending litigations on its financial position in its standalone financial statements - Refer note 28 to the standalone Ind AS financial statements.
  - ii. The company does not have any long-term contracts including derivative contracts, hence the question of any material foreseeable losses does not arise;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For Kamlesh Rathod & Associates**

Chartered Accountants  
Firm Registration No.117930W

**Kamlesh Rathod**

Partner  
Membership No.101046

Signed at Shapar (Dist. Rajkot) on 25th May, 2019

## ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' in the Independent Auditors' Report of even date to the members of ATUL AUTO LTD on the standalone Ind AS financial statements for the year ended 31st March, 2019]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) The Company has a program of verification to cover all the items of fixed assets which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties are in the name of the company and the approach road to access the new factory site at Bhayla, Ahmedabad is privately owned and the expenditure is incurred by the company but title of that road is not in the name of the company.
- (ii) The inventory (excluding stocks with third parties and work in progress) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable. Discrepancies noticed during physical verification were not material and the same has been dealt with in the books of account.
- (iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited liability partnerships or other parties covered in the register maintained under section 189 of the Act, accordingly, the provisions stated in paragraph 3 (iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable and hence not commented upon.
- (iv) 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 guarantee and investments made have been complied with by company.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public within the provisions of section 73 to 76 of the Act and rules framed there under. Accordingly, the provision of clause 3(v) of the order are not applicable to the company and hence not commented upon.
- (vi) The Central Government of India has not prescribed the maintenance of cost records for any of the products of the company under sub-section (1) of section 148 of the Act and rules framed there under.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Goods and Services tax, duty of Customs, Cess and other material statutory dues were in arrears as at 31st March 2019, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

(Rs. in Lacs)

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending	Dispute by Company/ Department
The Income Tax Act, 1961	Income Tax	41.82	2008-09	Income Tax Appellate Tribunal	Department
		48.76	2012-13		Department
		8.63	2012-13		Company
		37.44	2013-14	Department	
		5.06	2012-13	Commissioner Appeals	Company
		16.40	2014-15	Commissioner Appeals	Company
The Gujarat VAT Act, 2006	VAT	13.55	2006-07	VAT Tribunal	Company
	Sales Tax	11.84	2001-02 & 2002-03	Supreme Court	Department
The Central Sales Tax, 1956	CST	2.02	2001-02 & 2002-03	Supreme Court	Department

(Show-cause notices received from various Government Agencies pending formal demand notices have not been reported being not adjudicated.)

- (viii) The Company has not obtained any loan from financial institutions or banks during the year.
- (ix) The Company has not raised money by way of public issue or term loan during the year.
- (x) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi company. Accordingly, the provisions of clause (xii) of the order are not applicable to the Company.
- (xiii) According to information and explanation given to us and on the basis of books of accounts and other relevant records of the company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to standalone Financial Statements as required by applicable accounting standards.
- (xiv) Company has not made any private placement or preferential allotment during the year.
- (xv) According to information and explanation given to us the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.
- (xvi) According to the information and explanations given by the Management, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

**For Kamlesh Rathod & Associates**  
Chartered Accountants  
Firm Registration No.117930W

**Kamlesh Rathod**  
Partner  
Membership No.101046

Signed at Shapar (Dist. Rajkot) on 25th May, 2019



## ANNEXURE B TO THE 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 LTD ('the company') as of 31st March, 2019 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 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 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

- (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, 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 31st March, 2019 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 either separate audit division or an appointment of external audit professional is suggested. Our opinion is not modified for this matter.

#### For Kamlesh Rathod & Associates

Chartered Accountants  
Firm Registration No.117930W

#### Kamlesh Rathod

Partner  
Membership No.101046

Signed at Shapur (Dist. Rajkot) on 25th May, 2019

## BALANCE SHEET as at March 31, 2019

(Rs. in Lacs)

Sr. No.	Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
	<b>ASSETS</b>			
<b>(1)</b>	<b>Non-current Assets</b>			
	(a) Property, Plant and Equipment	2	9,335.80	8,602.67
	(b) Capital Work-in-progress	2	3,660.32	526.18
	(c) Investment Property	3	34.93	52.30
	(d) Intangible Assets	4	-	-
	(e) Financial Assets			
	(i) Investments	5	1,322.13	1,322.13
	(ii) Other Financial Assets	6	-	8.65
	(f) Income Tax Assets (Net)		29.64	87.83
	(g) Other Non-current Assets	7	2,060.29	278.48
<b>(2)</b>	<b>Current Assets</b>			
	(a) Inventories	8	5,744.66	4,603.49
	(b) Financial Assets			
	(i) Investments	5	946.10	4,533.83
	(ii) Trade Receivables	9	10,031.67	7,821.53
	(iii) Cash and Cash Equivalents	10	946.37	1,647.83
	(iv) Other Bank Balances	11	731.57	138.37
	(v) Loans	12	122.40	7.53
	(vi) Other Financial Assets	6	58.90	66.62
	(c) Other Current Assets	7	322.69	232.78
	<b>Total Assets</b>		<b>35,347.47</b>	<b>29,930.23</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>EQUITY</b>			
	(a) Equity Share Capital	13	1,097.16	1,097.16
	(b) Other Equity	14	24,762.55	20,841.84
	<b>LIABILITIES</b>			
<b>(1)</b>	<b>Non-current Liabilities</b>			
	(a) Provisions	15	-	14.84
	(b) Deferred Tax Liabilities (Net)	16	538.94	533.39
<b>(2)</b>	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) Total outstanding dues of micro enterprises and small enterprises		1,888.56	1,586.17
	(b) Total outstanding dues other than micro enterprises and small enterprises		3,988.82	3,353.60
	(ii) Other Financial Liabilities	17	1,614.01	1,190.91
	(b) Other Current Liabilities	18	881.44	978.17
	(c) Provisions	15	467.86	334.15
	(d) Current Tax Liability		108.13	-
	<b>Total Equity and Liabilities</b>		<b>35,347.47</b>	<b>29,930.23</b>

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  
Firm Reg. No. 117930W

**Kamlesh Rathod**  
Partner  
Membership No.: 101046  
Signed at Shapar (Dist. Rajkot) on May 25, 2019

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

<p><b>J J Chandra</b> Chairman and Managing Director DIN : 00057722</p>	<p><b>M J Patel</b> Whole time Director &amp; CFO DIN : 00057735</p>
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**Paras J Viramgama**  
Company Secretary

## STATEMENT OF PROFIT &amp; LOSS for the year ended March 31, 2019

(Rs. in Lacs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1	INCOME FROM OPERATIONS			
a	Gross Sales	19	66,134.76	56,457.20
b	Other Operating Income	19	540.94	476.07
	TOTAL INCOME FROM OPERATIONS		66,675.70	56,933.27
2	Other Income	20	687.44	256.86
<b>3</b>	<b>TOTAL INCOME</b>		<b>67,363.14</b>	<b>57,190.13</b>
4	EXPENSES			
a	Cost of Materials Consumed		49,650.67	40,219.55
b	Purchase of Stock in Trade		-	-
c	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade	21	-154.00	200.92
d	Excise Duty		-	1,335.38
e	Employee Benefits Expenses	22	4,768.38	4,012.80
f	Finance Costs	23	86.49	42.16
g	Depreciation and Amortisation Expenses	24	553.52	526.21
h	Other Expenses	25	4,262.75	3,909.96
<b>5</b>	<b>TOTAL EXPENSES</b>		<b>59,167.81</b>	<b>50,246.98</b>
6	Profit Before Exceptional Items		8,195.33	6,943.15
7	Exceptional Items		-	-
8	Profit Before Tax		8,195.33	6,943.15
<b>9</b>	<b>Tax Expenses</b>		<b>2,883.09</b>	<b>2,324.12</b>
a	Current Tax	26	2,876.12	2,316.55
b	Deferred Tax	26	6.97	7.58
<b>10</b>	<b>Profit for the Period</b>		<b>5,312.24</b>	<b>4,619.03</b>
<b>11</b>	<b>Other Comprehensive Income, Net of Tax</b>		<b>-2.62</b>	<b>17.89</b>
a	Items that will not be reclassified to Profit or Loss		-2.62	17.89
b	Items that will be reclassified to Profit or Loss		-	-
<b>12</b>	<b>Total Comprehensive Income for the Period (10+11)</b>		<b>5,309.62</b>	<b>4,636.92</b>
<b>13</b>	<b>Earnings Per Equity Share</b>	<b>27</b>		
	Basic & Diluted		24.21	21.05

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  
Firm Reg. No. 117930W

**Kamlesh Rathod**  
Partner  
Membership No.: 101046  
Signed at Shapar (Dist. Rajkot) on May 25, 2019

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

**J J Chandra**                                      **M J Patel**  
Chairman and Managing Director      Whole time Director & CFO  
DIN : 00057722                                      DIN : 00057735

**Paras J Viramgama**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2019

(Rs. in Lacs)

### (A) Equity Share Capital (Note No: 13)

Balance as at April 01, 2018	Change in equity share capital during the year	Balance as at March 31, 2019
1097.16	--	1097.16

### (B) Other Equity

(Rs. in Lacs)

Particulars	Note No.	Capital Reserve	Security Premium	General Reserve	Shares Forfeiture	Retained Earnings	Total Other Equity
<b>Balance as at March 31, 2018</b>	<b>14</b>	<b>30.00</b>	<b>477.92</b>	<b>2,094.28</b>	<b>23.29</b>	<b>18,216.36</b>	<b>20,841.84</b>
Profit for the year		-	-	-	-	5,312.24	5,312.24
Other comprehensive income (net of tax)		-	-	-	-	-2.62	-2.62
Total comprehensive income for the year ended March 31, 2019		-	-	-	-	5,309.62	5,309.62
<b>Transaction with owners in their capacity as owners</b>							
Final Dividend		-	-	-	-	-548.61	-548.61
Tax on Final Dividend		-	-	-	-	-112.77	-112.77
Interim Dividend		-	-	-	-	-603.48	-603.48
Tax on Interim Dividend		-	-	-	-	-124.05	-124.05
<b>Balance as at March 31, 2019</b>		<b>30.00</b>	<b>477.92</b>	<b>2,094.28</b>	<b>23.29</b>	<b>22,137.06</b>	<b>24,762.55</b>

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  
Firm Reg. No. 117930W

#### Kamlesh Rathod

Partner  
Membership No.: 101046  
Signed at Shapar (Dist. Rajkot) on May 25, 2019

#### 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 Virangama

Company Secretary

**STATEMENT OF CASH FLOW for the year ended March 31, 2019**

(Rs. in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	8,195.33	6,943.15
	Adjustment for:		
	Add:-		
	Provision for Doubtful Debts	45.88	52.75
	Depreciation & Impairment	553.52	526.21
	Loss/-Profit on Sale of Fixed Assets	-13.62	2.00
	<b>Sub Total</b>	<b>585.78</b>	<b>580.96</b>
	Less :-		
	Profit on Redemption/Revaluation of Mutual Fund	-279.31	-202.49
	Interest Received on Deposits	-70.65	-7.81
	Profit on Sale of Investment	-	-0.03
	Unrealised Foreign Exchange Gain	-43.23	-6.43
	<b>Sub Total</b>	<b>-393.19</b>	<b>-216.77</b>
	<b>Operating Profit before Working Capital changes</b>	<b>8,387.92</b>	<b>7,307.34</b>
	Movements in Working Capital:		
	Decrease/-Increase in Trade Receivable	-2,212.78	-3,148.74
	Decrease/-Increase in Inventories	-1,141.17	-980.13
	Decrease/-Increase in Loans and other Assets	-88.78	-143.54
	Increase/-Decrease in Trade Payables	778.17	1,343.49
	Increase/-Decrease in Liabilities/Provisions	441.21	551.99
	Total Movement in Working Capital	-2,223.35	-2,376.92
	Cash Generated from Operations	6,164.57	4,930.42
	Direct Taxes paid (Net of Refunds)	-2,709.81	-2,319.69
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,454.76</b>	<b>2,610.73</b>
<b>B.</b>	<b>Cash Flow from Investing Activities</b>		
	Purchase of Fixed Assets, Capital WIP	-6,024.68	-684.99
	Proceeds from Sale of Fixed Assets	17.89	6.26
	Proceeds from Sale of Investment	-	0.07
	Purchase of Mutual Fund	-60,381.00	-57,120.00
	Proceeds from Sale of Mutual Fund	64,248.04	54,377.48
	Investment in Subsidiary Company	-	-1.00
	-Increase/Decrease in Other Bank Balance	-593.20	35.09
	Inter Corporate Deposit	-105.00	-
	Investment in Associate Company	-	-540.00
	Interest Received on Deposits	70.65	7.81
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2,767.30</b>	<b>-3,919.28</b>

## STATEMENT OF CASH FLOW for the year ended March 31, 2019(Contd.)

(Rs. in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>C.</b>	<b>Cash Flow form Financing Activities</b>		
	Dividend Paid	-1,152.09	-932.66
	Tax on Dividend Paid	-236.82	-189.87
	<b>NET CASH CLOW FROM FINANCING ACTIVITIES</b>	<b>-1,388.91</b>	<b>-1,122.52</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-701.45</b>	<b>-2,431.08</b>
	Effect of Change in Cash or Cash Equivalent held in		
	Foreign Currency due to Exchange Rate Fluctuation	-	-0.40
	<b>Cash and Cash Equivalents at the beginning of the year</b>	<b>1,647.83</b>	<b>4,079.31</b>
	<b>Cash and Cash Equivalents at the end of the year</b>	<b>946.37</b>	<b>1,647.83</b>
	Components of Cash and Cash Equivalents as at the end of the year		
	Cash on Hand	0.91	1.15
	Cheques on Hand	-	0.01
	With Bank	-	
	- In Current Accounts	945.46	1,646.67
	<b>TOTAL</b>	<b>946.37</b>	<b>1,647.83</b>

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  
Firm Reg. No. 117930W

**Kamlesh Rathod**  
Partner  
Membership No.: 101046  
Signed at Shapar (Dist. Rajkot) on May 25, 2019

**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

## NOTES TO THE STANDALONE FINANCIAL STATEMENTS for the year ended March 31, 2019

### Background

Atul Auto Ltd (the company) is a public company domiciled in India, 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.

### 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 provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter."

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 1,00,000), 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.

### 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.

(ii) Use of Estimates, Judgments & Assumptions

Estimates, judgments 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

### 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. Accordingly, the Gross sales figures for the year ended March 31, 2019 are not comparable with the previous year ended presented in the statement due to inclusion of excise duty. 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.

(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) Sale of Products:

The Company earns revenue primarily from sale of automotive vehicles, parts and accessories.

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.

The Company's contracts with customers do not provide for any right to returns, refunds or similar obligations.

The Company's obligation to repair or replace faulty products under standard warranty terms is recognised as a provision. Refer Note 15.

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 asset, 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.

(B) Export Incentives

(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.

(C) Other Income

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.

### 1.3 Property, Plant and Equipment and Depreciation

- (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) Building acquired/constructed which is rented out by the company are categorised as investment property.
- (iv) **Depreciation and Amortisation Methods, Estimated Useful Lives and Residual Value**

#### On Tangible Assets

- (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 is 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) 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.
- (v) **Impairment of Assets**

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).

### 1.4 Intangible Assets

#### Product Development Cost

Product Development Cost incurred on new vehicles platforms, variants on existing platforms and new vehicles aggregates are recognized as intangible assets and are included under fixed assets. These amounts are amortized over sixty months from the commencement of commercial production.

#### SAP Implementation Charges

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

### 1.5 Investment Property

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.

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.

### 1.6 Investments, Financial Assets and Financial Liability

#### (a) Investment in Associate

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.

#### (b) Investment in Subsidiary

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.

#### (c) Other Investments and Financial Assets

#### (l) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.
- 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.

#### (ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value.

Fair Value through Profit or Loss: 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.

#### (iii) Impairment of Financial Assets

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.



**(iv) Derecognition of Financial Assets**

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.

**(v) Income Recognition****Dividend**

The company recognises dividend in the statement of profit & 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.

**Interest Income**

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.

**(d) Financial Liability****(i) Classification as Debt or Equity**

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.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**(ii) Initial Recognition and Measurement**

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.

**(iii) Subsequent Measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Trade and Other Payable**

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.

**Derecognition**

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).

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.

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.

**1.7 Foreign Currency Transactions**

- (i) 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 (INR), which is Company's functional and presentation currency.
- (ii) On initial recognition, all foreign currency transactions are recorded at foreign exchange rate on the date of transaction.
- (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.

**1.8 Inventories**

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.

**1.9 Research & Development Expenditure**

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.

**1.10 Taxation**

- (i) 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.

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.

#### **1.11 Provisions and Contingent Liabilities**

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.

#### **1.12 Operating Lease including on Investment Properties**

##### **(i) As a Lessor**

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.

##### **(ii) As a Lessee**

Leases in which a significant portion of the risks and rewards of ownership are retained by lessor are classified as operating leases. Payments made under operating leases are charged to the statement of profit & loss on a straight line basis over the period of the lease in a manner which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished.

#### **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 Earnings Per Share**

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.

#### **1.17 Segment Reporting**

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. The Core Management Committee examines performance geographical perspective and has identified two operative reportable segments from which significant risks and rewards are derived viz. Domestic sales & Export sales.

The company does not fall within the criteria mentioned in IND AS 108 but the management has opted to provide voluntary disclosure of geographical segment

**Note - 2 Property, Plant and Equipment****Current Year**

(Rs. in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2018	Additions	Deductions/adjustments	As at March 31, 2019	As at April 01, 2018	Additions	Deductions/adjustments	As at March 31, 2019	As at March 31, 2019
Freehold Land	3,909.64	263.73	-	4,173.37	-	-	-	-	4,173.37
Buildings	1,945.94		-29.52	1,975.46	613.61	68.19	-12.16	693.96	1,281.51
Plant & Machinery (Including Electric Fitting)	6,583.35	933.50	109.14	7,407.71	3,578.47	411.71	107.30	3,882.88	3,524.82
Furniture & Fittings	238.45	-	-	238.45	151.17	0.11	-	151.28	87.17
Computer	254.14	35.90	-	290.04	222.55	18.18	-	240.73	49.31
Office Equipment	135.20	6.95	-	142.15	118.58	7.09	-	125.67	16.48
Vehicles	455.75	33.47	32.45	456.77	235.42	48.23	30.02	253.63	203.14
<b>TOTAL</b>	<b>13,522.47</b>	<b>1,273.55</b>	<b>112.07</b>	<b>14,683.95</b>	<b>4,919.80</b>	<b>553.51</b>	<b>125.16</b>	<b>5,348.15</b>	<b>9,335.80</b>
<b>Capital work in progress</b>	<b>526.18</b>	<b>3,719.13</b>	<b>584.99</b>	<b>3,660.32</b>	-	-	-	-	<b>3,660.32</b>

**Previous Year**

(Rs. in Lacs)

Particulars	Gross Block				Depreciation/Impairment*				Net Block
	As at April 01, 2017	Additions	Deductions/adjustments	As at March 31, 2018	As at April 01, 2017	Additions	Deductions/adjustments	As at March 31, 2018	As at March 31, 2018
Land	3,908.49	1.15	-	3,909.64	-	-	-	-	3,909.64
Buildings	1,821.88	68.00	-56.07	1,945.94	535.02	67.13	-11.46	613.61	1,332.34
Plant & Machinery (Including Electric Fitting)	6,261.97	321.37	-	6,583.35	3,214.70	363.77	-	3,578.47	3,004.87
Furniture & Fittings	234.83	3.62	-	238.45	136.67	14.51	-	151.17	87.28
Computer	239.58	14.56	-	254.14	204.67	17.88	-	222.55	31.59
Office Equipment	130.10	5.10	-	135.20	107.36	11.22	-	118.58	16.62
Vehicles	418.61	60.81	23.67	455.75	199.13	51.71	15.41	235.42	220.33
<b>Total</b>	<b>13,015.47</b>	<b>474.60</b>	<b>-32.40</b>	<b>13,522.47</b>	<b>4,397.55</b>	<b>526.21</b>	<b>3.95</b>	<b>4,919.80</b>	<b>8,602.67</b>
<b>Capital work in progress</b>	<b>315.79</b>	<b>210.39</b>	-	<b>526.18</b>	-	-	-	-	<b>526.18</b>

**Note :**

1. 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. During the year certain lease agreement for rental of building is modified with reduction in floor area so, certain Investment property amounting Rs. 17.37 Lacs (Previous Year Rs. 44.61 Lacs), is transferred to Property Plant & Equipment.

2. Refer to clause 3 of notes to significant accounting policies.

\* Depreciation amount includes impairment loss of 18.02 lacs for current and previous period.

**Note - 3 Investment Property**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Gross carrying amount		
Opening balance	79.48	135.55
Addition	-	-
Transfer to Property Plant & Equipment	29.52	56.07
<b>Closing Balance</b>	<b>49.96</b>	<b>79.48</b>
Accumulated Depreciation		
Opening balance	27.19	38.65
Addition	4.02	7.21
Transfer to Property Plant & Equipment	16.18	18.67
<b>Closing Balance</b>	<b>15.03</b>	<b>27.19</b>
<b>Net Carrying Amount</b>	<b>34.93</b>	<b>52.30</b>

**Note:** Investment property has been carried at the cost less accumulated depreciation as at April 01, 2018, as the cost and depreciation determined under the previous GAAP, in case of the company, is in line with the principles of Ind AS 40.

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

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Rental Income	8.50	17.00
Direct operating expenses from property that generated rental income	0.31	5.25
Direct operating expenses from property that did not generated rental income	-	-
Profit from Investment property before depreciation	8.19	11.75
Depreciation	4.02	4.93
Profit from Investment property	4.17	6.82

**(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 -38

**(iv) Fair Value**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Investment property	91.40	182.80

**(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 an independent registered valuer during previous year and consequently classified as a level 2 valuation.

**Note - 4 Intangible Assets****Current Year**

(Rs. in Lacs)

Particulars	Gross Block				Depreciation/Impairment				Net Block
	As at April 01, 2018	Additions	Deductions/adjustments	As at March 31, 2019	As at April 01, 2018	Additions	Deductions/adjustments	As at March 31, 2019	As at March 31, 2019
Product Development	195.10	-	-	195.10	195.10	-	-	195.10	-
ERP System	126.92	-	-	126.92	126.92	-	-	126.92	-
<b>TOTAL</b>	<b>322.02</b>	<b>-</b>	<b>-</b>	<b>322.02</b>	<b>322.02</b>	<b>-</b>	<b>-</b>	<b>322.02</b>	<b>-</b>

**Previous Year**

(Rs. in Lacs)

Particulars	Gross Block				Depreciation/Impairment				Net Block
	As at April 01, 2017	Additions	Deductions/adjustments	As at March 31, 2018	As at April 01, 2017	Additions	Deductions/adjustments	As at March 31, 2018	As at March 31, 2018
Product Development	195.10	-	-	195.10	195.10	-	-	195.10	-
ERP System	126.92	-	-	126.92	126.92	-	-	126.92	-
<b>TOTAL</b>	<b>322.02</b>	<b>-</b>	<b>-</b>	<b>322.02</b>	<b>322.02</b>	<b>-</b>	<b>-</b>	<b>322.02</b>	<b>-</b>

**Note - 5 Investments**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Non - Current Investment</b>		
<b>(a) Investment in Wholly Owned Subsidiary</b>		
Investment carried at cost		
Unquoted :		
Extent of holding	100.00%	100.00%
No. of Shares owned	10,000	10,000
Investment in Atul Green Automotive Private Ltd.	1.00	1.00
<b>Total (A)</b>	<b>1.00</b>	<b>1.00</b>
<b>(b) Investment in Associate</b>		
Investment carried at cost		
Unquoted :		
Extent of holding	30.00%	30.00%
No. of Shares owned	1,18,20,000	1,18,20,000
Investment in Khushbu Auto Finance Limited	1,452.00	1,452.00
Less :- Provision for diminution (other than temporary) in value	-130.87	-130.87
<b>Total (B)</b>	<b>1,321.13</b>	<b>1,321.13</b>
<b>Total Non - Current Investment (A+B)</b>	<b>1,322.13</b>	<b>1,322.13</b>

**Note - 5 Investments (Contd.)**

(Rs. in Lacs)

Particulars		March 31, 2019	March 31, 2018
<b>Current Investment</b>			
<b>(c) Investment in Mutual Fund</b>			
Investment carried at fair value through Profit & Loss			
Quoted	Units		
DSP Liquidity Fund	12,094.242	-	300.58
JM High Liquidity Fund	5,26,367.714	-	250.41
JM Money Manager Super Plus Fund	11,50,110.647	-	286.31
Aditya Birla Sun Life Liquid Fund	71,737.984	-	200.37
Aditya Birla Sun Life Liquid Fund	81,653.738	245.32	-
IDBI Liquid Fund	13,458.690	-	250.40
IDBI Liquid Fund	4,997.212	100.09	-
Templeton Ultra Short Bond Fund	12,86,947.581	-	310.68
Indiabulls Liquid Fund	14,746.325	-	250.43
Kotak Low Duration Fund	4,575.131	-	100.23
Tata Ultra Short Term Fund	4,781.651	-	127.05
Tata Money Market Fund	9,148.751	-	250.53
Invesco India Liquid Fund	10,470.050	-	250.45
DSP Ultra Short Fund	10,03,378.439	-	127.93
Birla Sun Life Money Manager Fund	1,08,018.506	-	250.59
Birla Sun Life Saving Fund	45,216.839	-	155.51
Kotak Floater Short Term Fund	3,511.333	-	100.14
ICICI Prudential Liquid Fund	66,247.999	-	170.35
ICICI Prudential Liquid Fund	1,04,158.055	-	250.46
SBI Magnum Ultra Short Duration Fund	2,606.456	-	100.17
Essel Liquid Fund	13,077.626	-	250.24
Axis Liquid Fund	10,393.696	-	200.34
Tata Liquid Fund	3,125.475	-	100.13
Tata Liquid Fund	10,197.232	300.25	-
SBI Liquid Fund	10,258.949	300.44	-
Sundaram Money Fund	6,83,842.800	-	250.53
<b>Total (C)</b>		<b>946.10</b>	<b>4,533.82</b>
<b>Total Current Investment</b>		<b>946.10</b>	<b>4,533.82</b>
<b>Total Investment (A+B+C)</b>		<b>2,268.23</b>	<b>5,855.95</b>
Aggregate provision for diminution in value of investments		130.87	130.87

(Rs. in Lacs)

Particulars	Book Value		Market Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Quoted	946.10	4,533.82	946.10	4,533.82
Unquoted	1,322.13	1,322.13	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 36 for credit risk management related to investments.

**Note - 6 Other Financial Assets**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Deposits with residual maturity for more than 12 months	-	8.65
<b>Total Non Current Other Financial Assets (A)</b>	<b>-</b>	<b>8.65</b>
Other Income Receivable	58.90	41.51
Security Deposits	-	25.11
<b>Total Current Other Financial Assets (B)</b>	<b>58.90</b>	<b>66.62</b>
<b>Total Other Financial Assets (A+B)</b>	<b>58.90</b>	<b>75.27</b>

**Note - 7 Other Assets**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Other Non - Current Assets</b>		
Security Deposit	46.32	40.95
Advances for Capital Goods	1,990.70	214.26
Balance with Govt. authority	23.27	23.27
<b>Total Other Non - Current Assets (A)</b>	<b>2,060.29</b>	<b>278.48</b>
<b>Other Current Assets</b>		
Advances to Supplier	191.49	113.75
Prepaid Expenses	74.79	59.15
Other Receivable	56.41	59.88
<b>Total Other Current Assets (B)</b>	<b>322.69</b>	<b>232.78</b>
<b>Total Other Assets (A+B)</b>	<b>2,382.98</b>	<b>511.26</b>

**Note - 8 Inventories (Valued at Cost or Net Realisable Value whichever is Lower)**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Raw Material	4,729.42	3,742.25
Work In Progress	16.38	16.61
Finished Goods [including in transit Rs. 40.75 lacs (Previous Year - Nil)]	970.79	811.98
Stock in trade	28.07	32.65
<b>Total Inventories</b>	<b>5,744.66</b>	<b>4,603.49</b>

"Written-downs of inventories to net realisable value/reversal of provision for write-down, resulted in net loss of Rs. 60.04 lacs [Previous year - Nil]. These were recognised as an expense during the year in the Statement of Profit and Loss."

**Note - 9 Trade Receivables**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
(Unsecured, Considered Good, unless stated otherwise)		
Good	10,031.67	7,821.53
Doubtful	156.44	52.75
<b>Total (A)</b>	<b>10,188.11</b>	<b>7,874.28</b>
Provision for Expected Credit Loss	156.44	52.75
<b>Total (B)</b>	<b>156.44</b>	<b>52.75</b>
<b>Net Trade Receivables (A - B)</b>	<b>10,031.67</b>	<b>7,821.53</b>

**Note - 10 Cash & Cash Equivalent**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Cash on Hand (A)	0.91	1.15
Balances with Bank	-	-
In Current Accounts (B)	945.46	1,646.67
Cheques on Hand (C)	-	0.01
<b>Total Cash &amp; Cash Equivalent (A + B + C)</b>	<b>946.37</b>	<b>1,647.83</b>

**Note - 11 Other Bank Balances**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Unpaid Dividend Bank Balances	41.60	37.42
Deposits with residual maturity for less than 12 months	689.97	100.96
Deposits with residual maturity for more than 12 months	-	8.65
	731.57	147.03
Amount disclosed under 'other financial assets'(See note -6 )	-	-8.65
<b>Total Other Bank Balances</b>	<b>731.57</b>	<b>138.37</b>

**Note - 12 Loans**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Loan to Staff	17.40	7.53
Inter-Corporate Deposit	105.00	
<b>Total Current Loans</b>	<b>122.40</b>	<b>7.53</b>

**Note - 13 Share Capital**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
(a) Authorised Shares		
Equity Shares of Rs. 5 each	No of Share 3,00,00,000 Amount 1,500.00	3,00,00,000 1,500.00
Issued & Subscribed Shares		
Equity Shares of Rs. 5 each	No of Share 2,32,24,600 Amount 1,161.23	2,32,24,600 1,161.23
Paid up Shares		
Equity Shares of Rs. 5 each	No of Share 2,19,43,200 Amount 1,097.16	2,19,43,200 1,097.16
<b>Total Share Capital</b>	<b>1,097.16</b>	<b>1,097.16</b>

**(b) Reconciliation of the Shares Outstanding at the Beginning and at the End of the Reporting Period - Equity Shares**

Particulars	2018 - 2019		2017 - 2018	
	No of Share	Amount	No of Share	Amount
At the beginning of the period	2,19,43,200	1,097.16	2,19,43,200	1,097.16
Outstanding at the end of the period	2,19,43,200	1,097.16	2,19,43,200	1,097.16

**(c) Terms/Rights Attached to Equity Shares**

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

The company declares and pays dividend in Indian Rupees. Interim Dividend declared by the Board of Directors and paid by the company during the year is Rs.2.75/- per equity share of Rs. 5 each. Final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting of Rs 1.25/- Per Share. (March 31, 2018 : Rs.5.25 per equity share of Rs.5 each).

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



**(d) Details of Shareholders, Holding more than 5% Shares in the Company**

	March 31, 2019		March 31, 2018	
	No of Share	% of total holding	No of Share	% of total holding
	Equity Share of Rs.5 each		Equity Share of Rs.5 each	
Maheshbhai J Chandra	19,69,242	8.97%	19,69,242	8.97%
Jayantibhai J Chandra	13,51,742	6.16%	13,51,742	6.16%
Dharmendrabhai J Chandra	12,67,326	5.78%	12,67,326	5.78%
Harishbhai J Chandra	11,64,786	5.31%	11,64,786	5.31%
Aditya Birla Sunlife Trustee Company Private Limited	12,33,060	5.62%	12 12 104	5.52%
HDFC Trustee Company Limited	17,98,021	8.19%	17 96 521	8.19%

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**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
(a) Capital Reserves	30.00	30.00
(b) Share Premium Account	477.92	477.92
(c) General Reserve	2,094.28	2,094.28
(e) Share Forfeiture	23.29	23.29
(d) Retained Earning		
<b>Balance at the beginning of the year</b>	<b>18,216.35</b>	<b>14,701.96</b>
Profit for the year	5,312.24	4,619.02
Actuarial Gain/-Loss on defined benefit plans	-2.62	17.89
Final Dividend	-548.61	-329.15
Tax on Final Dividend	-112.77	-67.01
Interim Dividend	-603.48	-603.51
Tax on Interim Dividend	-124.05	-122.86
Transfer to General Reserve	-	-
<b>Balance at the end of the year</b>	<b>22,137.06</b>	<b>18,216.35</b>
<b>Total Other Equity</b>	<b>24,762.55</b>	<b>20,841.84</b>

**Note - 15 Provisions**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Non - Current Provision</b>		
Warranty Claims	-	14.84
<b>Total Non - Current Provisions (A)</b>	<b>-</b>	<b>14.84</b>
<b>Current Provision</b>		
Provision for Employee Benefits		
Gratuity	45.85	40.43
Leave Salary	0.83	-
<b>Sub-Total</b>	<b>46.68</b>	<b>40.43</b>
<b>Other Provisions</b>		
Provision for After Sales Activities	180.15	141.61
Provision for Warranty Claims	225.46	142.90
Purchase Provision	15.57	-
Provision for expected credit loss on risk sharing arrangement	-	9.21
<b>Sub-Total</b>	<b>421.18</b>	<b>293.72</b>
<b>Total Current Provisions (B)</b>	<b>467.86</b>	<b>334.15</b>
<b>Total Provisions (A+B)</b>	<b>467.86</b>	<b>348.99</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.

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
At the beginning of the year	141.61	111.78
arising during the year	232.69	218.86
utilised during the year	194.15	189.03
At the end of the year	180.15	141.61

### 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.

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
At the beginning of the year	157.74	98.39
arising during the year	222.14	204.85
utilised during the year	154.42	145.50
At the end of the year	225.46	157.74

### Provision for expected credit loss on risk sharing arrangement

The company has entered into risk sharing arrangement with Indusind Bank Limited (IBL) for sales of vehicle on finance. On account of this arrangement company has agreed to buy back vehicles in case of default from customers for repayment of loan upto 20 Installments to IBL. company has recognized the provision based on Ind AS - 109 'Financial Instruments'. However this arrangement is expired during the current year. Hence provision is not made during the year.

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
At the beginning of the year	9.21	5.15
arising during the year	16.27	78.88
utilised during the year	25.48	74.81
At the end of the year	-	9.21

### Note - 16 Deferred Tax Liabilities

#### (i) Statement of Deferred Tax Liabilities

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Deferred Tax Liabilities</b>		
on account of timing difference in		
Property, Plant and Equipment	616.01	595.07
<b>Gross Deferred Tax Liabilities</b>	<b>616.01</b>	<b>595.07</b>
<b>Deferred Tax Assets</b>		
on account of timing difference in		
Impairment of Property, Plant and Equipment	6.24	6.24
Retiral and other benefits	16.16	13.99
Provision for bad/doubtful debts	54.67	41.45
<b>Gross Deferred Tax Assets</b>	<b>77.07</b>	<b>61.68</b>
<b>Deferred Tax Liabilities</b>	<b>538.94</b>	<b>533.39</b>

#### (ii) Movement in Deferred Tax Liabilities

(Rs. in Lacs)

Particulars	Property, Plant & Equipment	Retiral and Other Benefits	Other Items	Total
At April 01, 2018	595.07	-69.15	7.46	533.39
Charged				
to profit & loss	20.94	-3.58	-13.22	4.14
to other comprehensive income	-	1.41	-	1.41
At March 31, 2019	<b>616.01</b>	<b>-71.32</b>	<b>-5.76</b>	<b>538.94</b>

**Note - 17 Other Financial Liabilities**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Unpaid Dividends*	41.60	37.42
*Investor Education and Protection Fund will be credited by amount (as and when due)		
Expenses Payable	1,015.33	641.82
Dealer's Deposit	557.08	511.67
<b>Total Other Financial Liabilities</b>	<b>1,614.01</b>	<b>1,190.91</b>

**Note - 18 Other Current Liabilities**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Advances from Customers	495.48	531.42
Statutory Dues	385.96	446.75
<b>Total Other Current Liabilities</b>	<b>881.44</b>	<b>978.17</b>

**Note - 19 Revenue From Operations**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Sales of Vehicles</b>	<b>63,400.82</b>	<b>54,231.30</b>
Domestic (Including excise duty but exclusive of GST)	57,516.32	50,559.31
Export (Including merchant export)	5,884.50	3,672.00
<b>Sales of Spares</b>	<b>2,733.94</b>	<b>2,221.44</b>
Domestic (Including excise duty but exclusive of GST)	2,213.70	1,888.84
Export (Including merchant export)	520.24	332.60
<b>Sales of Traded Goods</b>	<b>-</b>	<b>4.46</b>
<b>Total Sales</b>	<b>66,134.76</b>	<b>56,457.20</b>

The Government of India introduced Goods and Service Tax (GST) with effect from July 1, 2017. GST is collected on behalf of Government and no economic benefit flow to the equity and hence Gross Revenue under GST regime is presented excluding GST as per Ind AS 18 'Revenue'. However, Gross Revenue under pre-GST regime including Excise Duty which is now subsumed in GST. Consequently, the figures for year ended March 31, 2019 are not comparable with previous periods presented in the above note. Net Sales figures for all the figures excluding GST/Excise is as below:

(Rs. in Lacs)

Particulars	Year Ended On	
	March 31, 2019	March 31, 2018
Net Sales	66,134.76	55,121.82
<b>Other Operating Revenue</b>		
Export Incentive	191.40	130.82
Other Income	74.97	61.22
Commission Income	184.06	185.43
Technical Service Income	87.15	93.31
Scrap Sale	3.36	5.29
<b>Other Operating Revenue</b>	<b>540.94</b>	<b>476.07</b>
<b>Total Revenue From Operations</b>	<b>66,675.70</b>	<b>56,933.27</b>

**Note - 19 Revenue From Operations (Contd.)**

(Rs. in Lacs)

Particulars		March 31, 2019	March 31, 2018
<b>Details of Product Sold under Broad Category - Domestic</b>			
Cargo	Amount	25,435.02	24,269.35
	Nos.	19,525	19,199
Passenger	Amount	31,637.46	24,278.70
	Nos.	24,378	19,213
E-Rickshaw	Amount	443.84	736.24
	Nos.	610	921
Spares		2,213.70	1,828.47
<b>TOTAL</b>		<b>59,730.02</b>	<b>51,112.77</b>
<b>Details of Product Sold under Broad Category - Export</b>			
Cargo	Amount	762.13	667.29
	Nos.	670	547
Passenger	Amount	5,122.37	3,004.09
	Nos.	4,866	2,863
E-Rickshaw	Amount	-	0.61
	Nos.	-	1
Spares		520.24	332.60
<b>TOTAL</b>		<b>6,404.74</b>	<b>4,004.60</b>

**Note - 20 Other Income**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Gain on Sale/Revaluation of Mutual Fund	279.31	202.52
Interest on		
Bank Fixed Deposit	68.19	7.81
Other Deposits	243.05	4.92
ICD	2.46	-
Corporate Guarantee Fee	72.31	24.13
Profit on Sale of Fixed Assets	13.62	0.47
Rent	8.50	17.00
<b>Total Other Income</b>	<b>687.44</b>	<b>256.86</b>

**Note - 21 Changes in Inventories of Finished Goods and Work-In-Progress**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Work in Progress</b>		
Opening Stock	16.61	65.62
Closing Stock	16.38	16.61
	0.23	49.01
<b>Finished Goods</b>		
Opening Stock	811.98	960.35
Closing Stock	970.79	811.98
	-158.81	148.37
<b>Stock in Trade</b>		
Opening Stock	32.65	36.20
Closing Stock	28.07	32.65
	4.58	3.55
<b>Total Changes in Inventories</b>	<b>-154.00</b>	<b>200.92</b>

**Note - 22 Employee Benefit Expenses**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Salary, Wages & Bonus	3,893.79	3,210.64
Directors Remuneration	311.50	284.70
Contribution to Provident Fund and Gratuity (Note -34(a))	286.12	280.04
Staff Welfare Expenses	276.97	237.42
<b>Total Employee Benefit Expenses</b>	<b>4,768.38</b>	<b>4,012.80</b>

**Note - 23 Finance Cost**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Interest on Dealer Deposits	38.10	9.53
Interest on Income Tax	21.78	6.44
Other Borrowing Cost	26.61	26.20
<b>Total Finance Cost</b>	<b>86.49</b>	<b>42.16</b>

**Note - 24 Depreciation & Amortisation**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Depreciation on Property, Plant and Equipment	549.50	521.28
Depreciation on Investment Property	4.02	4.93
<b>Total Depreciation &amp; Amortisation</b>	<b>553.52</b>	<b>526.21</b>

**Note - 25 Other Expenses**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Advertising & Sales Promotion	876.03	652.38
Freight & Forwarding Expenses	607.99	539.98
Travelling & Conveyance	550.44	525.44
Warranty & After Sales Services	430.94	411.00
Power & Fuel	287.52	316.63
Research & Development Expenses	209.37	322.21
Repairs to Others	185.09	195.15
Repairs to Machinery	161.24	175.44
Vehicle Expenses	129.16	136.68
Legal & Consultancy Charges	116.63	104.72
Donation	107.89	65.18
Other Miscellaneous Expenses	95.87	86.81
Rent	85.61	68.14
Office Admin Expenses	81.18	77.03
Repairs to Buildings	68.79	127.09
Rates and Taxes	49.21	55.65
Provision for Doubtful Debt	45.88	52.75
Foreign Exchange Rate Diff. Exp.	43.23	-4.90
Insurance	43.20	32.68
Printing & Stationary	34.58	32.61
Communication Cost	31.28	37.59
Windmill Operation Charges	9.36	9.38
Payment to Auditor	6.78	6.19
Director's Sitting Fees	5.48	5.87
-Increase/Decrease of Excise Duty on Inventory	-	-121.76
<b>Total Other Expenses</b>	<b>4,262.75</b>	<b>3,909.96</b>

**Note - 25 Other Expenses (Contd.)**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Payment to Auditor Includes</b>		
For Audit Fee	4.50	4.25
For Limited Review	1.80	1.65
Reimbursement Expense	0.48	0.29
<b>Total</b>	<b>6.78</b>	<b>6.19</b>

**Note - 26 Tax Expenses**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Current Tax on Profits for the Year	2,834.54	2,310.98
Adjustment for Current Tax of Prior Periods	41.58	5.57
	2,876.12	2,316.55
Deferred Tax	6.97	7.58
<b>Total Tax Expenses</b>	<b>2,883.09</b>	<b>2,324.12</b>
<b>Reconciliation of tax expense and the accounting profit multiplied by India's tax rate</b>		
Profit Before Tax	8,195.33	6,943.15
Tax at (The Indian Tax Rate) 34.94% (P.Y 34.61%)	2,863.78	2,403.02
<b>Tax effect of amount which are not deductible (taxable) in calculating taxable income :</b>		
Donation Expense which is not allowable	19.63	11.28
Interest on Income Tax	7.61	2.23
Adjustment for Current Tax of Prior Period	41.58	5.57
Others	4.02	4.98
<b>Tax effect of amount which are deductible (non- taxable) in calculating taxable income :</b>		
Weighted deduction for research & development expenditure	-21.71	-92.64
Deduction for profit from specified undertaking	-26.51	-8.68
Deduction for wages paid to additional employees	-4.42	-
Other	-0.89	-1.64
	<b>2,883.09</b>	<b>2,324.12</b>

**Note - 27 Earning Per Share**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Net profit as per statement of Profit & Loss	5,312.23	4,619.02
Weighted average number of shares outstanding during the year (Nos)	21,943,200	21,943,200
<b>Earning Per Share (Basic &amp; Diluted)</b>	<b>24.21</b>	<b>21.05</b>
<b>Face Value per Share Rs.</b>	<b>5.00</b>	<b>5.00</b>

**Note - 28 Contingent Liabilities not Acknowledged as Debt**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Sales Tax	27.41	27.41
Excise Duty	-	16.81
Income Tax	158.13	199.74
Case Pending before Consumer Forum	58.46	35.25
Case filed by investor for non allotment of right issue shares	13.46	13.46
Pending C Form	222.93	289.34
Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	7,236.85	8,111.96
Amount of Guarantee is Rs. 11,500 lacs in F.Y. 2018 -19 and Rs. 15,000 Lacs in previous year.		
(Show-cause notices received from various Government Agencies & pending formal demand notices have not been considered as contingent liabilities.)		
There are numerous interpretative issues relating to the Supreme Court judgement on Provident Fund dated 28 February, 2019. Based on company's evaluation of the provision on a prospective basis, the impact is not material.		
<b>Total Contingent Liabilities</b>	<b>7,717.24</b>	<b>8,693.97</b>

**Note - 29 Estimated Amount of Contracts Remaining to be Executed on Capital Accounts and Not Provided**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
For Purchase of Assets	2,535.60	75.89

**Note - 30 Corporate Social Responsibility Expenditures During the Year**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Contribution to trusts/associations for preventive healthcare activities	3.52	7.02
Contribution to trusts/associations for education	5.30	10.75
Contribution to trusts/associations for national heritage and culture	2.51	4.01
Contribution to trusts/associations for benefits of War Widows/ their Dependents	35.50	-
Contribution to trusts/associations for promoting healthcare	-	24.25
Contribution to trusts/associations for Eradicating hunger, poverty	53.00	15.66
Contribution to trusts/associations for ensuring environment sustainability	2.00	1.00
<b>Total CSR Expenditures</b>	<b>101.83</b>	<b>62.69</b>

**Note - 31 Lease**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<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	6.20	12.35
After one year but not more than five years	2.10	18.48
	<b>8.30</b>	<b>30.83</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.		
Future minimum rentals payable under non-cancellable operating leases are as follows:		
Within one year	26.69	47.14
After one year but not more than five years	5.33	21.92
More than five years	-	-
	<b>32.02</b>	<b>69.06</b>

**Note - 32 Exchange Difference Gain/-Loss Recognised in the Statement of Profit & Loss**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Relating to export during the year as a part of sales / other Income	10.20	4.27
on settlement of other transaction as part of other expenses & import	-53.43	0.63
	<b>-43.23</b>	<b>4.90</b>

**Note - 33 Particulars of Unhedged Foreign Currency at the Reporting Date**

(Rs. in Lacs)

Particulars		March 31, 2019	March 31, 2018
Export Trade Receivable	USD	10.94	5.08
	INR	756.13	302.58
Import Trade Payable	USD	-	3.54
	CNY	24.47	-
	INR	252.74	230.26

**Note - 34 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.

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Amount recognised in Balance Sheet		
Present Value of funded defined benefit obligation	-415.80	-394.65
Fair Value of Plan Assets	369.95	354.22
<b>Net funded obligation</b>	<b>-45.85</b>	<b>-40.43</b>
Expense recognised in the statement of Profit & Loss		
Current Service Cost	42.43	62.93
Past Service Cost	-	12.43
Interest on net defined benefit liability/-assets	3.18	3.85
<b>Total expense charged to profit &amp; loss</b>	<b>45.61</b>	<b>79.21</b>
Amount recorded as other comprehensive income		
<b>Opening amount recognised in OCI outside profit &amp; loss account</b>	<b>-44.29</b>	<b>-17.52</b>
Remeasurements during the period due to		
Actuarial -gain/losses on obligation for the period	-0.83	-28.68
Actual return on plan assets less interest on plan assets	4.85	1.91
<b>Closing amount recognised in OCI outside profit &amp; loss account</b>	<b>-40.27</b>	<b>-44.29</b>
Reconciliation of net liability/-assets		
<b>Opening net defined benefit liability/-assets</b>	<b>40.43</b>	<b>31.57</b>
Expense charged to profit & loss account	45.61	79.21
Amount recognised outside profit & loss account	4.02	-26.77
Employer contributions	-44.21	-43.59
<b>Closing net defined benefit liability/-assets</b>	<b>45.85</b>	<b>40.43</b>



## Note - 34 Employee Benefits (Contd.)

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Movement in benefit obligation		
<b>Opening of defined benefit obligation</b>	394.65	340.48
Current Service Cost	42.43	62.93
Interest on defined benefit obligation	30.98	26.52
Past Service cost	-	12.43
Remeasurements due to		
Actuarial Loss/-gain arising from change in financial assumptions	3.21	-26.05
Actuarial Loss/-gain arising on account of experience changes	-4.04	-2.63
Actuarial Loss/-gain arising from change in Demographic assumptions		
Benefits paid	-51.43	-19.04
<b>Closing of Defined benefit obligation</b>	<b>415.80</b>	<b>394.65</b>
Movement in Plan Assets		
<b>Opening Fair Value of Plan Assets</b>	354.22	308.90
Employer contributions	44.21	43.59
Interest on plan assets	27.80	22.67
Remeasurements due to :-		
Actual return on plan assets less interest on plan assets	-4.85	-1.91
Benefits paid	-51.43	-19.04
<b>Closing fair value of plan assets</b>	<b>369.95</b>	<b>354.22</b>
Disaggregation of Assets		
<b>Category of Assets</b>		
Insurer managed funds	369.95	354.22
Others	-	-
<b>Grand total</b>	<b>369.95</b>	<b>354.22</b>

## Key Actuarial Assumptions

Particulars	March 31, 2019	March 31, 2018
Discount rate (p.a)	7.79%	7.85%
Expected return on plan assets	7.79%	7.85%
Rate of salary Increase	7.00%	7.00%
Rate of employee turnover	for service 4 years & below 15% p.a. & above 2% p.a.	for service 4 years & below 15% p.a. & 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.

Particulars	Current Period	Previous Period
Projected Benefit Obligation on Current Assumptions	415.81	394.65
Delta Effect of +1% Change in Rate of Discounting	-49.08	-44.25
Delta Effect of -1% Change in Rate of Discounting	59.44	53.66
Delta Effect of +1% Change in Rate of Salary Increase	55.17	49.04
Delta Effect of -1% Change in Rate of Salary Increase	-46.54	-41.30
Delta Effect of +1% Change in Rate of Employee Turnover	5.67	5.94
Delta Effect of -1% Change in Rate of Employee Turnover	-6.55	-6.85

**(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.

## Note - 35 Disclosure of transaction with related parties as required by the Indian Accounting Standard - 24

(Rs. in Lacs)

Name of related party and nature of relationship	Nature of transaction	2018 - 2019			2017 - 2018		
		Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
<b>Subsidiary</b>							
Atul Green Automotive Private Ltd.	Contribution to equity (10,000 shares of Rs. 10 each)	-	1.00	Dr.	1.00	1.00	Dr.
		-	1.00	Dr.	1.00	1.00	Dr.
<b>Associate</b>							
Khushbu Auto Finance Ltd.	Receipt of Lease/ Rent (Inclusive of Taxes)	10.03			19.88		
	Payment of Subvention/Incentive Charges	101.94			90.26		
	Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	7,236.85			8,111.96		
	Amount of Guarantee given on behalf of Associate	11,500.00			15,000.00		
	Corporate Guarantee Fee	86.95	-44.79	Cr.	26.90	-47.51	Cr.
		<b>18,935.77</b>	<b>-44.79</b>		<b>23,249.00</b>	<b>-47.51</b>	<b>Cr.</b>
<b>Key Management Personnel and their Relatives :-</b>							
Krunal J Chandra	Short Term Employee Benefits	11.00	-		11.00	-	
Jayntilbhai J Chandra	Short Term Employee Benefits	137.80	-7.53	Cr.	127.20	-7.49	Cr.
Mahendra J Patel	Short Term Employee Benefits	119.60	-6.52	Cr.	110.40	-6.41	Cr.
Niraj J Chandra	Short Term Employee Benefits	58.60	-3.25	Cr.	51.60	-3.41	Cr.
Paras J Viramgama	Short Term Employee Benefits	5.73	-		4.86	-	
<b>Other Entities :-</b>							
Atul Auto Industries	Sale of Raw Material	0.02					
	Purchase of Raw Material Spares	757.26			400.47		
	Purchase of Fixed Asset	5.14			-		
	Other Expenses	-	-6.23	Cr.	1.07	-11.10	Cr.
		<b>762.42</b>	<b>-6.23</b>	<b>Cr.</b>	<b>401.54</b>	<b>-11.10</b>	<b>Cr.</b>
Atul Motors Private Limited	Sale of Raw Material	0.27					
	Sales of used vehicles	4.35			4.65		
	Purchase of Fixed Asset	4.07			9.83		
	Other Expenses	1.67	-		0.23	-5.25	Cr.
		<b>10.36</b>	<b>-</b>	<b>-</b>	<b>14.71</b>	<b>-5.25</b>	<b>Cr.</b>
Khushbu Auto Private Limited	Sale (Inclusive of Tax)	5,499.31			5,448.63		
	Warranty Claims/After Sales Service/PDI/WRC Charges	21.40			14.94		
	Discount on sales vehicle	27.43			-		
	Other Expense	0.19					
	Debit note for expenses	1.43			0.04		
	Sales Incentive and Sales promotion	-	-26.22	Cr.	8.43	297.59	Dr.
		<b>5,549.76</b>	<b>-26.22</b>	<b>Cr.</b>	<b>5,472.04</b>	<b>297.59</b>	<b>Dr.</b>

**Note - 35 Disclosure of transaction with related parties as required by the Indian Accounting Standard - 24 (Contd.)**

(Rs. in Lacs)

Name of related party and nature of relationship	Nature of transaction	2018 - 2019			2017 - 2018		
		Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./ Cr.
New Chandra	Sale (Inclusive of Tax)	206.75			178.12		
Motor Cycle Agency	Warranty Claims/After Sales Service/ PDI/WRC Charges/Logo Meet Exp	2.67			1.37		
	Discount on sales vehicle	1.21					
	Other Expense	0.25			0.26		
	Debit note for expenses	0.08					
	Sales Incentive and Sales promotion	-	15.72	Dr.	0.13	13.59	Dr.
		<b>210.96</b>	<b>15.72</b>	<b>Dr.</b>	<b>179.88</b>	<b>13.59</b>	<b>Dr.</b>
New Chandra	Sale (Inclusive of Tax)	111.58			105.78		
Motor Cycle House	Discount on sales vehicle	3.76			-		
	Purchase of Raw Material Spares	27.96	-2.52	Cr.	28.27	-	
		<b>143.30</b>	<b>-2.52</b>	<b>Cr.</b>	<b>134.05</b>	<b>-</b>	

**Note - 36 Financial Risk Management**
**(I) Financial Instrument by Category**

(Rs. in Lacs)

Financial Assets & Liabilities				
Particulars	March 31, 2019		March 31, 2018	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Investment in Mutual Fund (Quoted)	946.10	-	4,533.83	-
Trade Receivable	-	10,031.67	-	7,821.53
Cash & Cash Equivalents	-	946.37	-	1,647.83
Loans to Staff & Inter Corporate Deposit	-	122.40	-	7.53
Balance in Unpaid Dividend	-	41.60	-	37.42
Investment in Fixed Deposits	-	689.97	-	109.61
Other Income Receivable	-	58.90	-	41.51
Security Deposits	-	-	-	25.11
Investment in Equity Shares				
Khushbu Auto Finance Limited (Unquoted)	-	1,321.13	-	1,321.13
Atul Green Automotives Private Limited (Unquoted)	-	1.00	-	1.00
<b>Total Financial Assets</b>	<b>946.10</b>	<b>13,213.04</b>	<b>4,533.83</b>	<b>11,012.66</b>
<b>Financial Liabilities</b>				
Trade Payable	-	5,877.38	-	4,939.77
Unpaid Dividend	-	41.60	-	37.42
Outstanding Expenses	-	1,015.33	-	641.82
Dealers' Deposits	-	557.08	-	511.67
<b>Total Financial Liabilities</b>	<b>-</b>	<b>7,491.39</b>	<b>-</b>	<b>6,130.68</b>

**(ii) Fair Value Hierarchy**

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.

**Financial Assets Measured at Fair Value Measurements Recurring:-**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>Level - I</b>		
<b>Financial Investment at FVTPL</b>		
Investment in Mutual Fund	946.10	4,533.83
<b>Level - II</b>	-	-
<b>Level - III</b>	-	-
<b>Total</b>	946.10	4,533.83

**Valuation Techniques Used to Determine Fair Value :-**

Open ended Mutual funds are valued at closing NAVs declared by its Assets Management Companies.

**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.

The company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk.

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 in past. company has taken insurance against default risk from trade receivable.
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash/cashequivalents and marketable investments
Market Risk- Foreign Exchange	Trade receivable from export transaction and trade payable for import transaction	Sensitivity analysis	Export proceeds are held in forgein currency account till time permitted by Reserve Bank Of India . Further import programms are made from the balance held in forgein currency account . Hence, company manages risk through natural hedging.

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 a 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 Loss Allowance Provision – Trade Receivable**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Loss allowance as on March 31, 2018 (2017)	52.75	19.08
Addition in loss allowance during the year	103.69	33.67
Loss allowance as on March 31, 2019 (2018)	156.44	52.75

**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.

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Net working capital funds	9,955.54	11,608.99
Which includes;		
i Cash & cash equivalents	946.37	1,647.83
ii Current Investment	946.10	4,533.83
	<b>1,892.47</b>	<b>6,181.66</b>

Contractual maturities of significant financial Liabilities as on March 31, 2019 &amp; March 31, 2018

**Maturities of Financial Liabilities**

(Rs. in Lacs)

Particulars	Less than & equal to 1 Year	More than 1 Year	Total
<b>As on March 31, 2019</b>			
Trade Payable	5,877.38	-	5,877.38
Other Financial Liabilities	1,614.01	-	1,614.01
	<b>7,491.39</b>	<b>-</b>	<b>7,491.39</b>
<b>As on March 31, 2018</b>			
Trade Payable	4,939.77	-	4,939.77
Other Financial Liabilities	1,190.91	-	1,190.91
	<b>6,130.68</b>	<b>-</b>	<b>6,130.68</b>

**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 (INR).

**Open Exposure**

The Company's exposure to foreign currency risk at the end of the reporting period is as follows:

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Receivable (Amount in USD)	10.94	5.08
Payable (Amount in USD)	-	3.54
Payable (Amount in CNY)	24.47	-

**Sensitivity Analysis**

The following tables demonstrate the sensitivity to a reasonably possible change in exchange rates, with all other variables held constant.

(Rs. in Lacs)

Particulars	Currency	Change in Rate	Effect on PBT	Effect on Pre-Tax Equity
Year Ended 31st March, 2019	USD	+10%	75.67	75.67
	CNY	-10%	-25.31	-25.31
Year Ended 31st March, 2018	USD	+10%	10.00	10.00
	CNY	-10%	-	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**Note - 37 Recent Indian Accounting Standards (Ind AS)**

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind AS which the Group has not applied as they are effective from April 1, 2019:

**Ind AS 116 – Leases**

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The Company will adopt Ind AS 116, effective annual reporting period beginning April 1, 2019. The Company will apply the standard to its leases, retrospectively, with the cumulative effect of initially applying the standard, recognised on the date of initial application (April 1, 2019). Accordingly, the Company will not restate comparative information, instead, the cumulative effect of initially applying this Standard will be recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019. On that date, the Company will recognise a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as at April 1, 2019. In accordance with the standard, the Company will elect not to apply the requirements of Ind AS 116 to short-term leases and leases for which the underlying asset is of low value.

On transition, the Company will be using the practical expedient provided the standard and therefore, will not reassess whether a contract, is or contains a lease, at the date of initial application.

The Company is in the process of finalising changes to systems and processes to meet the accounting and reporting requirements of the standard.

With effect from April 1, 2019, the Company will recognise new assets and liabilities for its operating leases of premises and other assets. The nature of expenses related to those leases will change from lease rent in previous periods to (a) amortization change for the right-to-use asset, and (b) interest accrued on lease liability. Previously, the Company recognised operating lease expense on a straight line basis over the term of the lease, and recognised assets and liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised. As a lessor, sublease shall be classified as an operating lease if the head lease is classified as a short term lease. In all other cases, the sublease shall be classified as a finance lease.

**Note - 38 Other Notes**

(Rs. in Lacs)

Particulars	Year Ended	
	31.03.2019 (Audited)	31.03.2018 (Audited)
<b>A. Segment revenue</b>		
Domestic	59,989	52,699
Export	6,683	4,229
<b>Total</b>	<b>66,672</b>	<b>56,928</b>
<b>B. Segment Results</b>		
Domestic	13,467	13,457
Export	1,468	911
<b>Total</b>	<b>14,936</b>	<b>14,369</b>
<b>C. Less</b>		
Interest	86	42
Other Un allocable expenditure net off un-allocable income	6,654	7,382
<b>Total Profit before tax</b>	<b>8,195</b>	<b>6,944</b>
<b>D. Capital Employed</b>		
Domestic	9,221	7,376
Export	728	202
Unallocated	-9,949	-7,578
<b>Total</b>	<b>-</b>	<b>-</b>

Segment Revenue comprises of Revenue from operations from Vehicles & Spares, and Other Operating Revenues.

Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

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 LTD

### Report on Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statement of ATUL AUTO LTD ('the Holding Company') and its Subsidiary (collectively referred to as 'the Company' or 'the Group') and its associate; (refer no. 1 to the attached consolidated financial statement) comprising of the consolidated balance sheet as at 31st March 2019, 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 & associates, 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 31st March 2019, and their consolidated profit and 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone 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 standalone financial statements.

Sr. No.	Key Audit Matters	How our audit addressed the key audit matter
<b>1. Evaluation of consolidation process</b>		
	<p>The Group's consolidation process is complex on account of its conversion of financial statements of Associate into Ind AS which were prepared under Previous GAAP.</p> <p>The consolidation process includes evaluation of the significant influence, alignment of Associate accounting policies with that of parent, and resultant tax adjustments which may require a high level of judgement.</p>	<p>We performed the following key audit procedures:</p> <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 Associate 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>



Sr. No.	Key Audit Matters	How our audit addressed the key audit matter
<b>2. Impairment loss allowance in the Non Banking Finance Company</b>		
	<p>Within the Non Banking Finance Company, the Group has recognized impairment loss allowance as at 31st March 2019.</p> <p>The determination of impairment loss allowance is inherently judgmental and relies on managements' best estimate due to the following:</p> <ul style="list-style-type: none"> <li>Increased level of data inputs for capturing the historical data to calculate the Probability of Default ('PDs') and Loss Given Default ("LGD") and the completeness and accuracy of that data;</li> <li>Use of management overlays for considering the probability weighted scenarios, the forward looking macro-economic factors and the timing of cash flows; and</li> <li>Criteria selected to identify significant increase in credit risk.</li> </ul>	<p>We performed the following key audit procedures:</p> <ul style="list-style-type: none"> <li>Assessed the design and implementation of controls in respect of the Associate's loan loss impairment allowance process such as the timely recognition of impairment loss, the completeness and accuracy of reports used in the impairment allowance process and management review processes over the calculation of impairment allowance and the related disclosures on credit risk management;</li> <li>Tested the relevant general IT and applications controls over key systems used in the impairment allowance processes. Evaluated whether the methodology applied by the Company is compliant with the requirements of the relevant generally accepted accounting principles and confirmed that the calculations are performed in accordance with the approved methodology, including checking mathematical accuracy of the workings</li> <li>Tested the periods considered for capturing underlying data as base to PD and LGD calculations, are in line with Company's recent experience of past observed periods; and</li> <li>Assessed whether the key judgements, assumptions and quantitative data with respect to impairment loss allowance in the financial statements are appropriate and sufficient in accordance with Ind AS 109.</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 judgements 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 and of its associates are responsible for assessing the ability of the Group and of its associates 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.

The respective Board of Directors of the companies included in the Group and of its associates and joint ventures are also responsible for overseeing the financial reporting process of the Group and of its associates.

#### 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 judgement 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)(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 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 assets of Rs. 0.76 Lacs as at March 31, 2019 total revenue nil, net loss of Rs. 0.06 Lacs and net cash outflow amounting to Rs.0.06 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. Associate 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 31st March, 2019 with comparatives for period ending 31st March, 2018, 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 Associate is made on the basis of relevant financial statement data provided by associate 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 and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- a. 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;
- b. 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;
- c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including other comprehensive income and 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.

- d. 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;
- e. On the basis of written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act.
- f. 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
- 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 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.

- h. 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 7 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.

**For Kamlesh Rathod & Associates**

Chartered Accountants  
Firm Registration No.117930W

**Kamlesh Rathod**

Partner  
Membership No.101046

Signed at Shapar (Dist. Rajkot) on 25th May, 2019

## 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, 2019, we have audited the internal financial controls over financial reporting of the group and its associate company, 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 and its associate company, 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 and associate companies, 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 and associate 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 31st March, 2019 based on the internal control over financial reporting criteria established by the Group and its associate 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 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 one subsidiary and one associate 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  
Firm Registration No.117930W

**Kamlesh Rathod**

Partner  
Membership No.101046

Signed at Shapar (Dist. Rajkot) on 25th May, 2019

## CONSOLIDATED BALANCE SHEET as at March 31, 2019

(Rs. in Lacs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>ASSETS</b>				
(1)	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment		9,335.80	8,602.67
	(b) Capital Work-in-progress		3,660.32	526.18
	(c) Investment Property		34.93	52.30
	(d) Intangible Assets		-	-
	(e) Financial Assets			
	(i) Investments	2	1,656.93	1,464.07
	(ii) Other Financial Assets		-	8.65
	(f) Income Tax Assets (Net)		29.64	87.83
	(g) Other Non-current Assets		2,060.29	278.48
(2)	<b>Current assets</b>			
	(a) Inventories		5,744.66	4,603.49
	(b) Financial Assets			
	(i) Investments	2	946.10	4,533.83
	(ii) Trade Receivables		10,031.67	7,821.53
	(iii) Cash and Cash Equivalents	3	947.13	1,648.65
	(iv) Other Bank Balances		731.57	138.37
	(v) Loans		122.40	7.53
	(vi) Other Financial Assets		58.90	66.62
	(c) Other Current Assets		322.69	232.78
	<b>Total Assets</b>		<b>35,683.03</b>	<b>30,072.98</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
	(a) Equity Share Capital		1,097.16	1,097.16
	(b) Other Equity	4	25,098.11	20,984.60
<b>LIABILITIES</b>				
(1)	<b>Non-current Liabilities</b>			
	(a) Provisions		-	14.84
	(b) Deferred Tax Liabilities (Net)		538.94	533.39
(2)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Trade Payables			
	(a) Total outstanding dues of micro enterprises and small enterprises		1,888.56	1,586.17
	(b) Total outstanding dues other than micro enterprises and small enterprises		3,988.82	3,353.60
	(ii) Other Financial Liabilities		1,614.01	1,190.91
	(b) Other Current Liabilities		881.44	978.17
	(c) Provisions		467.86	334.15
	(d) Current Tax Liability		108.13	-
	<b>Total Equity and Liabilities</b>		<b>35,683.03</b>	<b>30,072.98</b>

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

As per our report of even date  
**For Kamlesh Rathod & Associates**  
Chartered Accountants  
Firm Reg. No. 117930W

**Kamlesh Rathod**  
Partner  
Membership No.: 101046  
Placed: Shapar (Dist. Rajkot)  
Date: May 25, 2019

**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 Virangama**  
Company Secretary

**CONSOLIDATED STATEMENT OF PROFIT & LOSS** for the year ended March 31, 2019

(Rs. in Lacs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
1	INCOME FROM OPERATIONS			
a	Gross Sales		66,134.76	56,457.20
b	Other Operating Income		540.94	476.07
	<b>TOTAL INCOME FROM OPERATIONS</b>		<b>66,675.70</b>	<b>56,933.27</b>
2	Other Income		687.44	256.86
3	<b>TOTAL INCOME</b>		<b>67,363.14</b>	<b>57,190.13</b>
4	EXPENSES			
a	Cost of Materials Consumed		49,650.67	40,219.55
b	Purchase of Stock in Trade		-	-
c	Changes in Inventories of Finished Goods, Work-in-Progress and Stock-in-Trade		-154.00	200.92
d	Excise Duty		-	1,335.38
e	Employee Benefits Expenses		4,768.38	4,012.80
f	Finance Costs		86.49	42.16
g	Depreciation and Amortisation Expenses		553.52	526.21
h	Other Expenses	5	4262.81	3,910.14
	<b>TOTAL EXPENSES</b>		<b>59,167.87</b>	<b>50,247.17</b>
5	Profit Before Exceptional Items		8,195.27	6,942.96
6	Exceptional Items		-	-
7	<b>Profit Before Tax</b>		<b>8,195.27</b>	<b>6,942.96</b>
8	<b>Tax Expenses</b>		<b>2,883.09</b>	<b>2,324.12</b>
a	Current Tax		2,876.12	2,316.55
b	Deferred Tax		6.97	7.58
9	<b>Profit for the Period</b>		<b>5,312.18</b>	<b>4,618.84</b>
10	<b>Share in Net Profit/-Loss of Associate</b>		<b>192.63</b>	<b>170.36</b>
11	<b>Total Profit for the Period</b>		<b>5,504.81</b>	<b>4,789.20</b>
12	<b>Other Comprehensive Income, Net of Tax</b>		<b>-2.39</b>	<b>16.86</b>
a	Items that will not be reclassified to profit or loss		-2.39	16.86
b	Items that will be reclassified to profit or loss		-	-
13	<b>Total Comprehensive Income for the Period (9+10)</b>		<b>5,502.42</b>	<b>4,806.05</b>
14	<b>Profit Attributable to :-</b>			
	<b>Owners of the Company</b>		<b>5,504.81</b>	<b>4,789.20</b>
	<b>Non - Controlling Interest</b>		<b>-</b>	<b>-</b>
15	<b>Total Comprehensive Income Attributable to :-</b>			
	<b>Owners of the Company</b>		<b>5,502.42</b>	<b>4,806.05</b>
	<b>Non - Controlling Interest</b>		<b>-</b>	<b>-</b>
16	<b>Earnings Per Equity Share</b>			
	Basic & Diluted	6	<b>25.09</b>	<b>21.83</b>

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

As per our report of even date  
**For Kamlesh Rathod & Associates**  
Chartered Accountants  
Firm Reg. No. 117930W

**Kamlesh Rathod**  
Partner  
Membership No.: 101046  
Placed: Shapar (Dist. Rajkot)  
Date: May 25, 2019

**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, 2019

(Rs. in Lacs)

#### (A) Equity Share Capital

Balance as at March 31, 2018	Change in equity share capital during the year	Balance as at March 31, 2019
1097.16	--	1097.16

#### (B) Other Equity

Particulars	Note No.	Capital Reserve (Rs.)	Security Premium (Rs.)	General Reserve (Rs.)	Shares Forfeiture (Rs.)	Retained earnings (Rs.)	Total Other Equity (Rs.)
Balance as at April 01, 2017	4	30.00	477.92	2,094.28	23.29	14,675.58	17,301.07
Profit for the year		-	-	-	-	4,789.20	4,789.20
Other Comprehensive Income (net of tax)		-	-	-	-	16.86	16.86
Total Comprehensive Income for the year ended March 31, 2018		-	-	-	-	<b>4,806.05</b>	<b>4,806.05</b>
<b>Transaction with owners in their capacity as owners</b>							
Final Dividend		-	-	-	-	-329.15	-329.15
Dividend Distribution Tax on above		-	-	-	-	-67.01	-67.01
Interim Dividend		-	-	-	-	-603.51	-603.51
Dividend Distribution Tax on above		-	-	-	-	-122.86	-122.86
<b>Balance as at March 31, 2018</b>		<b>30.00</b>	<b>477.92</b>	<b>2,094.28</b>	<b>23.29</b>	<b>18,359.11</b>	<b>20,984.60</b>
Profit for the year		-	-	-	-	5,504.81	5,504.81
Other Comprehensive Income (net of tax)		-	-	-	-	-2.39	-2.39
<b>Total Comprehensive Income for the year ended March 31, 2019</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,502.42</b>	<b>5,502.42</b>
<b>Transaction with owners in their capacity as owners</b>							
Final Dividend		-	-	-	-	-548.61	-548.61
Tax on Final Dividend		-	-	-	-	-112.77	-112.77
Interim Dividend		-	-	-	-	-603.48	-603.48
Tax on Interim Dividend		-	-	-	-	-124.05	-124.05
<b>Balance as at March 31, 2019</b>		<b>30.00</b>	<b>477.92</b>	<b>2,094.28</b>	<b>23.29</b>	<b>22,472.62</b>	<b>25,098.10</b>

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

As per our report of even date  
**For Kamlesh Rathod & Associates**  
Chartered Accountants  
Firm Reg. No. 117930W

**Kamlesh Rathod**  
Partner  
Membership No.: 101046  
Placed: Shapar (Dist. Rajkot)  
Date: May 25, 2019

**For and on behalf of Board of Directors 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



**CONSOLIDATED STATEMENT OF CASH FLOW for the year ended March 31, 2019**

(Rs. in Lacs)

Sr. No.	Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
<b>A.</b>	<b>Cash Flow from Operating Activities</b>		
	<b>Net Profit Before Taxation</b>	8,387.90	7,113.32
	Adjustment for:		
	Add:-		
	Provision for Doubtful Debts	45.88	52.75
	Depreciation & Impairment	553.52	526.21
	Loss/-Profit on Sale of Fixed Assets	-13.62	2.00
	<b>Sub Total</b>	<b>585.78</b>	<b>580.96</b>
	Less:-		
	Share of Profit from Associate	-192.63	-170.36
	Profit on Redemption/Revaluation of Mutual Fund	-279.31	-202.49
	Interest Received on Deposits	-70.65	-7.81
	Profit on Sale of Investment	-	-0.03
	Unrealised Foreign Exchange Gain	-43.23	-6.43
	<b>Sub Total</b>	<b>-585.82</b>	<b>-387.13</b>
	<b>Operating Profit Before Working Capital Changes</b>	<b>8,387.86</b>	<b>7,307.16</b>
	Movements in Working Capital:		
	Decrease/-Increase in Trade Receivable	-2,212.78	-3,148.74
	Decrease/-Increase in Inventories	-1,141.17	-980.13
	Decrease/-Increase in Loans and other Assets	-88.78	-143.54
	Increase/-Decrease in Trade Payables	778.17	1,343.49
	Increase/-Decrease in Liabilities/provisions	441.21	551.99
	Total Movement in Working Capital	-2,223.35	-2,376.92
	Cash Generated from Operations	6,164.51	4,930.24
	Direct Taxes Paid (Net of Refunds)	-2,709.81	-2,319.69
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>3,454.70</b>	<b>2,610.55</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of Fixed Assets, Capital WIP	-6,024.68	-684.99
	Proceeds from Sale of Fixed Assets	17.89	6.26
	Proceeds from Sale of Investment	-	0.07
	Purchase of Mutual Fund	-60,381.00	-57,120.00
	Proceeds from Sale of Mutual Fund	64,248.04	54,377.48
	-Increase/Decrease in Other Bank Balance	-593.20	35.09
	Inter Corporate Deposit	-105.00	-
	Investment in Associate Company	0.00	-540.00
	Interest Received on Deposits	70.65	7.81
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-2,767.30</b>	<b>-3,918.28</b>
<b>C.</b>	<b>Cash Flow form Financing Activities</b>		
	Dividend Paid	-1,152.09	-932.66
	Tax on Dividend Paid	-236.82	-189.87
	<b>NET CASH CLOW FROM FINANCING ACTIVITIES</b>	<b>-1,388.91</b>	<b>-1,122.52</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-701.51</b>	<b>-2,430.26</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

- 1 (a) The consolidated financial statements comprise financial statements of Atul Auto Ltd. (the 'Company') and its subsidiary and associate (collectively, the 'Group') for the year ended March 31, 2019. The consolidated financial statements were approved for issue in accordance with a resolution of the Board of Directors of the Company on May 25, 2019.
- (b) The consolidated financial statements include results of the Subsidiary company and Associate company of Atul Auto Limited; consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and Ind AS 28 'Investment in Associates and Joint Ventures'.

Sr. No	Name of Company	Country of Incorporation	% Holding of AAL	% of Holding by others	Consolidated as
1	Atul Green Automotive Private Limited	India	100	-	Subsidiary
2	Khushbu Auto Finance Limited	India	30	70	Associate

\*Consolidated Balance Sheet of Khushbu Auto Finance Ltd. includes Sanand Home Finance Limited as subsidiary.

- (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 1,00,00, which is also the Company's functional currency and all values are rounded to the nearest lacs (INR 1,00,000), 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
- (i) 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.
- (ii) 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.
- (iii) Khushbu Auto Finance Ltd 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 March 31, 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 Ltd. is made on the basis of relevant financial statement data provided by associate which is in accordance with the accounting policies followed by the parent company for consolidation purposes.

### Accounting Policies followed by Associate :-

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.

**Note - 2 Investments**

(Rs. in Lacs)

Particulars		March 31, 2019	March 31, 2018
Investment in Associates (Unquoted) 91,20,000 (previous year 22,96,000) equity shares of Rs. 10 each		1,656.93	1,464.07
Extent of Holding		30.00%	30.00%
Aggregate amount of unquoted investment		1,656.93	1,464.07
<b>Total Non Current Investments</b>		<b>1,656.93</b>	<b>1,464.07</b>
<b>Investment in Mutual Fund</b>			
Investment carried at fair value through Profit & Loss			
<b>Quoted</b>	<b>Units</b>		
DSP Liquidity Fund	12,094.24	-	300.58
JM High Liquidity Fund	526,367.71	-	250.41
JM Money Manager Super Plus Fund	1,150,110.65	-	286.31
Aditya Birla Sun Life Liquid Fund	71,737.98	-	200.37
Aditya Birla Sun Life Liquid Fund	81,653.74	245.32	-
IDBI Liquid Fund	13,458.69	-	250.40
IDBI Liquid Fund	4,997.21	100.09	-
Templeton Ultra Short Bond Fund	1,286,947.58	-	310.68
Indiabulls Liquid Fund	14,746.33	-	250.43
Kotak Low Duration Fund	4,575.13	-	100.23
Tata Ultra Short Term Fund	4,781.65	-	127.05
Tata Money Market Fund	9,148.75	-	250.53
Invesco India Liquid Fund	10,470.05	-	250.45
DSP Ultra Short Fund	1,003,378.44	-	127.93
Birla Sun Life Money Manager Fund	108,018.51	-	250.59
Birla Sun Life Saving Fund	45,216.84	-	155.51
Kotak Floater Short Term Fund	3,511.33	-	100.14
ICICI Prudential Liquid Fund	66,248.00	-	170.35
ICICI Prudential Liquid Fund	104,158.06	-	250.46
SBI Magnum Ultra Short Duration Fund	2,606.46	-	100.17
Essel Liquid Fund	13,077.63	-	250.24
Axis Liquid Fund	10,393.70	-	200.34
Tata Liquid Fund	3,125.48	-	100.13
Tata Liquid Fund	10,197.23	300.25	-
SBI Liquid Fund	10,258.95	300.44	-
Sundaram Money Fund	683,842.80	-	250.53
<b>Total Current Investments</b>		<b>946.10</b>	<b>4,533.82</b>
<b>Total Investments</b>		<b>2,603.03</b>	<b>5,997.89</b>

**Note - 3 Cash & Cash Equivalent**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Cash on Hand	0.92	1.17
Balances with Bank	-	-
In Current Accounts	946.21	1,647.47
Cheques on Hand	-	0.01
<b>Total Cash &amp; Cash Equivalents</b>	<b>947.13</b>	<b>1,648.65</b>

**Note - 4 Other Equity**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
<b>(a) Capital Reserves</b>	30.00	30.00
<b>(b) Share Premium Account</b>	477.92	477.92
<b>(c) General Reserve</b>		
Closing balance	2,094.28	2,094.28
<b>(d) Retained Earning</b>		
Balance at the beginning of the year	18,359.11	14,675.59
Total Comprehensive Income	5,502.42	4,806.05
Final Dividend	-548.61	-329.15
Tax on Final Dividend	-112.77	-67.01
Interim Dividend	-603.48	-603.51
Tax on Interim Dividend	-124.05	-122.86
Gain on deemed dilution of ownership interest	-	-
Transfer to General Reserve	-	-
Balance in Retained Earning	22,472.62	18,359.11
<b>(e) Share Forfeiture</b>	23.29	23.29
<b>Total Other Equity</b>	<b>25,098.11</b>	<b>20,984.60</b>

**Note - 5 Other Expenses**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Advertising & Sales Promotion	876.03	652.38
Freight & Forwarding Expenses	607.99	539.98
Travelling & Conveyance	550.44	525.44
Warranty & After Sales Services	430.94	411.00
Power & Fuel	287.52	316.63
Research & Development Expenses	209.37	322.21
Repairs to Others	185.09	195.15
Repairs to Machinery	161.24	175.44
Vehicle Expenses	129.16	136.68
Legal & Consultancy Charges	116.67	104.90
Donation	107.89	65.18
Other Miscellaneous Expenses	95.89	86.81
Rent	85.61	68.14
Office Admin Expenses	81.18	77.03
Repairs to Buildings	68.79	127.09
Rates and Taxes	49.21	55.65
Provision for Doubtful Debt	45.88	52.75
Foreign Exchange Rate Diff. Exp.	43.23	-4.90
Insurance	43.20	32.68
Printing & Stationary	34.58	32.61
Communication Cost	31.28	37.59
Windmill Operation Charges	9.36	9.38
Payment to Auditor	6.78	6.19
Director's Sitting Fees	5.48	5.87
-Increase/Decrease of Excise Duty on Inventory	-	-121.76
<b>Total Other Expenses</b>	<b>4,262.81</b>	<b>3,910.14</b>

**Note - 6 Earning Per Share**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Net profit as per statement of Profit & Loss	5,504.81	4,789.20
No. of Shares (Face value of Rs. 5/- each)	21,943,200	21,943,200
<b>Earning Per Share</b>	<b>25.09</b>	<b>21.83</b>

**Note - 7 Contingent Liabilities not Acknowledged as Debt**

(Rs. in Lacs)

Particulars	March 31, 2019	March 31, 2018
Sales Tax	27.41	27.41
Excise Duty	-	16.82
Income Tax	158.13	199.74
Case Pending before Consumer Forum	58.46	35.25
Case filed by investor for non allotment of right issue shares	13.46	13.46
Pending C form	222.93	289.34
Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	7,236.85	8,111.96
Amount of Guarantee is Rs. 11,500 lacs in F.Y. 2018 -19 and Rs. 15,000 Lacs in previous year.		
(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>7,717.24</b>	<b>8,693.97</b>

**Note - 8 Other Notes**

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**

1. Sr.No.	: 1
2. Name of the subsidiary	: ATUL GREEN AUTOMOTIVE PRIVATE LIMITED (Incorporated on February 12, 2018)
3. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	: March 31, 2019 (Same as Holding Company)
4. Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	: Not Applicable
5. Share capital	: Rs.1.00 Lacs
6. Reserves & surplus	: Rs.-0.24 Lacs
7. Total assets	: Rs.0.76 Lacs
8. Total Liabilities	: Nil
9. Investments	: Nil
10. Turnover	: Nil
11. Profit before taxation	: Rs.-0.06 Lacs
12. Provision for taxation	: Nil
13. Profit after taxation	: Rs.-0.06 Lacs
14. Proposed Dividend	: Nil
15. % of shareholding	: 100%

**Notes:**

- (i) M/s. Atul Green Automotive Private Limited was incorporated on February 12, 2018 and is yet to commence its operations.  
(ii) Names of subsidiaries which have been liquidated or sold during the year.

## Part B: Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associate	: KHUSHBU AUTO FINANCE LIMITED
1. Latest audited Balance Sheet Date	: March 31, 2019
2. Shares of Associate held by the company on the year end	
(i) No.	: 11820000
(ii) Amount of Investment in Associates	: Rs.1,321.13 Lacs
(iii) Extend of Holding %	: 30%
3. Description of how there is significant	: There is a significant influence due to holding of
	30% voting rights
4. Reason why the associate is not consolidated	: Not Applicable
5. Net worth attributable to Shareholding as per latest audited Balance Sheet (Rs.)	: Rs.474.9 Lacs
6. Profit/ Loss of the year	
(i) Considered in Consolidation	: Rs.192.63 Lacs
(ii) Not Considered in Consolidation	: Not Applicable

### 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.

J J Chandra  
Chairman and Managing Director  
DIN : 00057722

M J Patel  
Whole time Director & CFO  
DIN : 00057735

Paras Viramgama  
Company Secretary

Shapar (Dist. Rajkot)  
May 25, 2019



**ATTENDANCE SLIP****ATUL AUTO LIMITED**

CIN: L54100GJ1986PLC016999

Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024  
31st Annual General Meeting - Monday, September 30, 2019

Name of Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

Folio No./DP Id Client Id : \_\_\_\_\_

No of shares : \_\_\_\_\_

I hereby record my presence at the 31st Annual General Meeting of the Company on Monday, September 30, 2019 at 11:00 a.m. at the Registered Office of the Company at Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), District Rajkot, Gujarat, INDIA 360024.

.....  
Signature of Member/Proxy

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

**PROXY FORM**

Form No. MGT-11

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

**ATUL AUTO LIMITED**

CIN: L54100GJ1986PLC016999

Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024  
31st Annual General Meeting - September 30, 2019

Name of Member(s) : \_\_\_\_\_

Registered Address : \_\_\_\_\_

Folio No./DP Id Client Id : \_\_\_\_\_

E-Mail Address : \_\_\_\_\_

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

Name:	Address:
E-mail:	Signature:

Or falling him

Name:	Address:
E-mail:	Signature:

Or falling him

Name:	Address:
E-mail:	Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31st Annual General Meeting of the Company to be held on Monday, September 30, 2019 at 11:00 a.m. at the Registered Office of the Company at Survey No. 86, Plot No. 1 to 4, 8-B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024 and at any adjournment thereof in respect of such resolutions as are indicated below:



Resolution/ Item No.	Resolution Particulars	Vote (Optional see note 4) (Please mention no of shares)		
		For	Against	Abstains
<b>Ordinary Business</b>				
1	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the year ended on March 31, 2019 and the reports of the Board of Directors thereon and Auditors thereto.			
2	Declaration of Final Dividend at Rs. 1.25 per equity share for the financial year ended March 31, 2019			
3	Reappointment of Mr. Jayantibhai J Chandra, who retires by rotation			
<b>Special Business</b>				
4	Appointment of Ms. Aarti J Juneja as Independent Director			
5	Appointment of Mr. Mohanjit Singh Walia as Independent Director			
6	Appointment of Mr. Jaichander Swaminathan as Independent Director			
7	Ratification of Appointment of Mr. Hasmukh H Adhvaryoo			
8	Creation of charge/ providing of security while borrowing money u/s. 180(1)(a)			
9	Increase in remuneration of Mr. Jayantibhai J Chandra, Chairman and Managing Director			
10	Increase in remuneration of Mr. Mahendra J Patel, Whole-time Director & CFO			
11	Increase in remuneration of Mr. Niraj J Chandra, Whole-time Director			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix  
Revenue  
Stamp  
of Re.1/-

**Notes:**

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



# 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

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