



August 31, 2018

Ref. ATULAUTO/SEs/Notice/30<sup>th</sup>AGM&AnnualReport

To,  
The Department of Corporate Services,  
BSE Limited, Mumbai

To,  
The Listing Compliance Dept.  
National Stock Exchange of India Ltd, Mumbai

BSE Script Code: 531795

NSE Script Symbol: ATULAUTO

**SUB: NOTICE OF 30<sup>TH</sup> ANNUAL GENERAL MEETING TO BE HELD ON SEPTEMBER 28, 2018 AND ANNUAL REPORT FOR FY 2017-18**

This is to inform the stock exchanges that the 30<sup>th</sup> Annual General Meeting (AGM) of the Members of Atul Auto Limited will be held on Friday, September 28, 2018 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, Shapar (Veraval), District Rajkot, Gujarat, INDIA 360024.

Soft copy of full version of the Annual Report for the FY 2017-18 including Notice of Annual General Meeting (AGM) of the Company scheduled to be held on September 28, 2018, is being sent to the shareholders electronically who have registered their email IDs. The same is also available at the Company's website at [www.atulauto.co.in](http://www.atulauto.co.in). The hard copy of the Annual Report 2017-18 is being sent to those shareholders who have not registered their e-mail IDs for the purpose of receiving documents in electronic mode.

The Company is providing e-voting facility to its shareholders in respect of resolutions to be passed at the AGM. The Company has engaged the services of Central Depository Services (India) Limited (CDSL) as the authorized agency to provide remote e-voting facility. The remote e-voting facility shall be kept open from 9:00 a.m. on September 25, 2018 to 5:00 p.m. on September 27, 2018 for shareholders to cast their votes electronically. The cut-off date for voting (including remote e-voting) shall be September 21, 2018. The detailed instructions with respect to voting have been mentioned in the Notice of AGM.

We are attaching herewith Annual Report containing the Notice of AGM, Directors' Report, Report on Corporate Governance, Auditors' Report and Financial Statements for the year ended on March 31, 2018.

Yours faithfully,  
for Atul Auto Limited,

(Paras J Viramgama)

Company Secretary & Compliance Officer

**ATUL AUTO LIMITED**

(Corporate Identification Number: L54100GJ1986PLC016999)

Regd. Office & Factory: National Highway 8-B, Near Microwave Tower, Shapar (Veraval), Rajkot – 360024 (Gujarat)

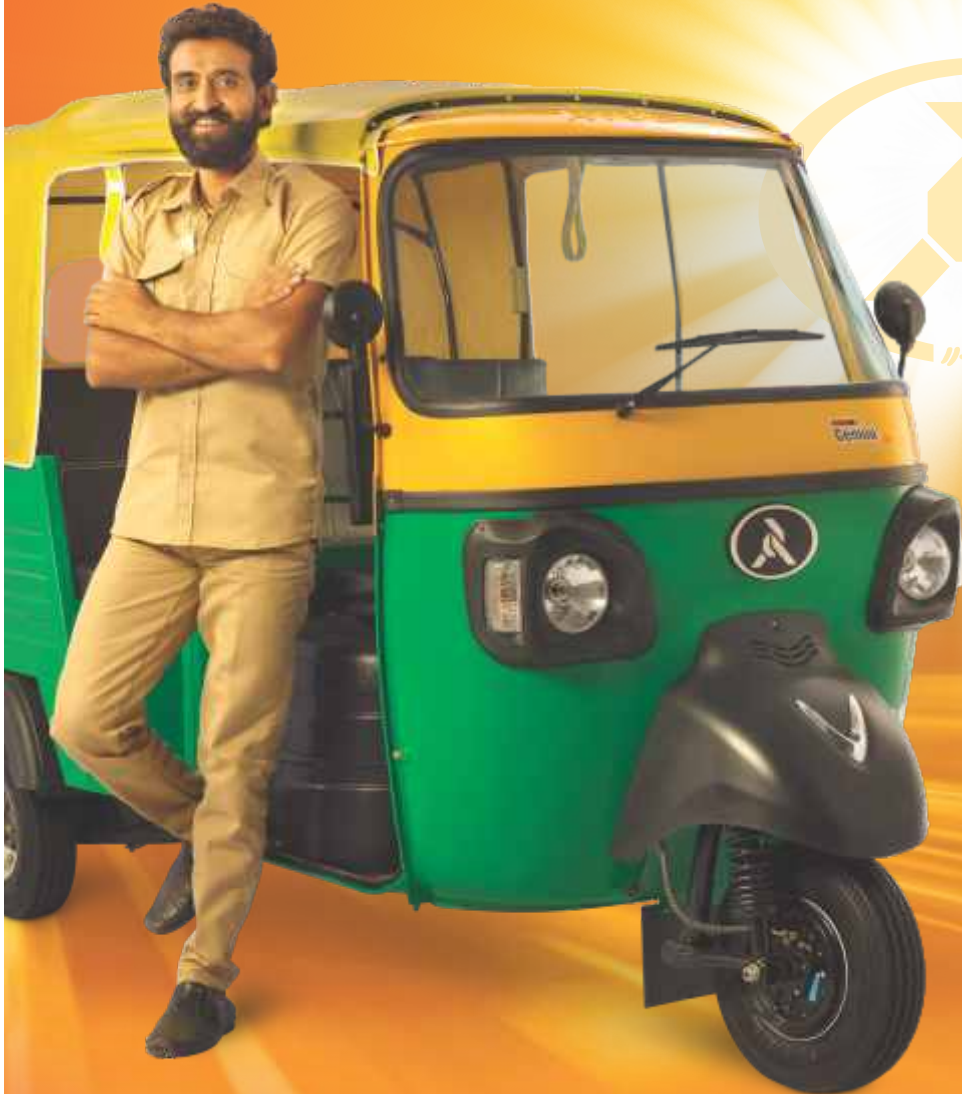
Phone: 02827 235500 Website: [www.atulauto.co.in](http://www.atulauto.co.in) E-Mail: [info@atulauto.co.in](mailto:info@atulauto.co.in)



# Naye Bharat ka Humsafar

ATUL AUTO LIMITED

ANNUAL REPORT 2017-18







## Naye Bharat ka Humsafar

Sometimes it's unbelievable what dreams can achieve. When belief fuels our aspirations we can accelerate leaving behind a trail of success, milestones and landmarks that inspire the next generation of achievements.

Since the first one rolled out in 1980s; huge number of ATUL vehicles ply on Global roads today. This year we are accelerating on a path that is leading ATUL towards new horizons of growth and expansion. Our winning product portfolio across all fuel variants namely Petrol, Diesel, LPG, CNG and Electric Vehicles are providing a great push to the dreams of New India. Atul is going full steam ahead to expand and explore newer growth horizons.

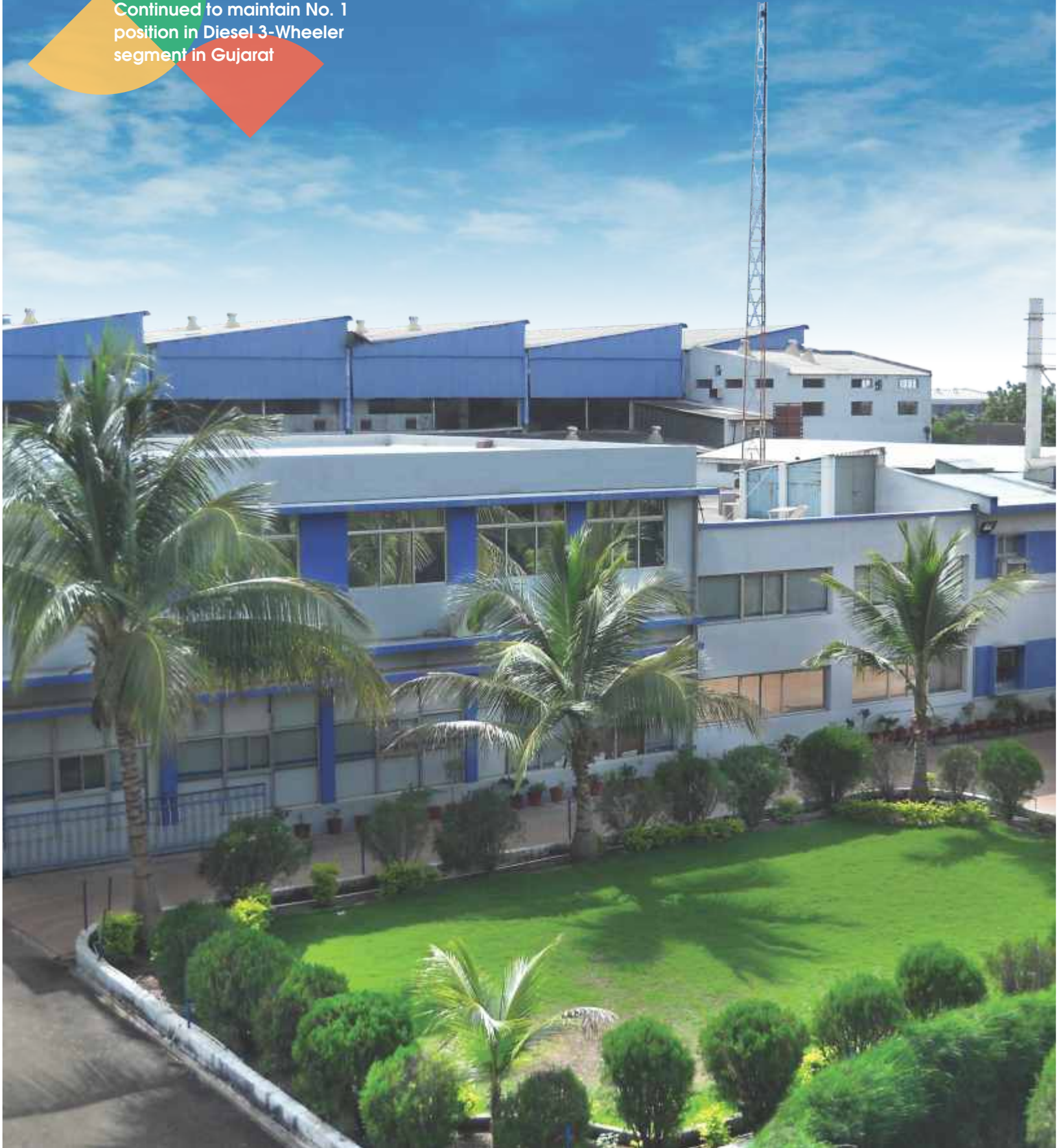
We are intensifying our efforts to create a promising tomorrow by catalysing innovation, technology and forging strong business relationships with our dealer network. Today, we are more than a Pan-India company; we are setting global benchmarks in over 17 countries.

With a unified vision to become – 'Naye Bharat Ka Humsafar' – we at ATUL are powering ahead into the future of New India's growth story.



# No.1 position

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





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**42,660**

**Vehicles Produced**

during FY 2017-18

## at a glance

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.

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. Leaving behind negative impact of previous fiscal in the FY 2017-18 we have attained both topline growth and margin improvement.

In the year under review, our business turnover on comparable basis, grew by 16.73 % driven by volume growth of 10.18 % (42744 vehicles in FY 18 against 38795 vehicles in FY 17). And despite the uphill circumstances, profit after tax grew by 24.67% to Rs.46.19 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 2288 vehicles to 3411. 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 2018, the Company could enter in newer locations like Ecuador, Guatemala, Ethiopia, Iraq, Somalia, Afghanistan etc. with increasing its sales in existing markets like Nigeria, Mexico, Bangladesh, Kenya, Honduras, Peru etc.



₹ 968.13 cr

Market Capitalization

as on 31.03.2018

## 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 by making the common people self-dependent with our state-of-the-art technology, products and services.



## 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.



42,744

Vehicles Sold

Total sales increased from  
38,795 to 42,744 units



# Our Diversified Portfolio of Products



FRONT ENGINE  
PASSENGER 6+1



FRONT ENGINE  
HIGH DECK  
500 KG PAYLOAD CAPACITY



FRONT ENGINE  
DELIVERY VAN  
500 KG PAYLOAD CAPACITY



FRONT ENGINE  
PASSENGER 3+1



FRONT ENGINE  
HIGH DECK  
500 KG PAYLOAD CAPACITY



FRONT ENGINE  
DELIVERY VAN  
500 KG PAYLOAD CAPACITY



**ATUL**  
**GEM**  
*Premium*



REAR ENGINE  
PASSENGER 3+1



REAR ENGINE  
HIGH DECK  
500 KG PAYLOAD CAPACITY



REAR ENGINE  
CARGO  
500 KG PAYLOAD CAPACITY

**ATUL**  
**Gemini**



REAR ENGINE  
PASSENGER 3+1  
PETROL



REAR ENGINE  
PASSENGER 3+1  
CNG



REAR ENGINE  
PASSENGER 3+1  
DIESEL

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



ATUL ELITE  
PASSENGER 4+1  
MOTOR POWER 850/1000 W



ATUL ELITE  
CARGO  
MOTOR POWER 850/1000 W



ATUL ELITE  
DELIVERY VAN  
MOTOR POWER 850/1000 W

**PAN  
INDIA  
presence**

**200  
primary  
networks**

**130  
secondary  
networks**

**600  
touch points  
across the globe**

## Our presence



### 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.



## 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.



**850+**  
employee

**60,000**  
Vehicle Production  
Capacity

## 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  
Independent Director

Hasmukh H Adhvaryoo  
Independent Director

CA Hemantkumar J Bhatt  
Independent Director

Dr. Margie S Parikh  
Independent Director



#### Audit Committee

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

#### Nomination and Remuneration Committee

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

#### Stakeholders' Relationship Committee

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

#### CSR Committee

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

#### Statutory Auditors

Kamlesh Rathod & Associates  
Chartered Accountants

#### Company Secretary and Compliance Officer

Paras J. Viramgama

#### Banker

IDBI Bank Limited

#### Stock Exchanges

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

#### Registered Office & Manufacturing Facility

Survey No. 86, Plot No. 1-4  
8B National Highway  
Near Microwave Tower  
Shapar (Veraval)  
Dist. Rajkot, Gujarat, India 360024  
Phone: 02827-235 500  
E-Mail: investorrelations@atulauto.co.in/  
info@atulauto.co.in  
Website: www.atulauto.co.in

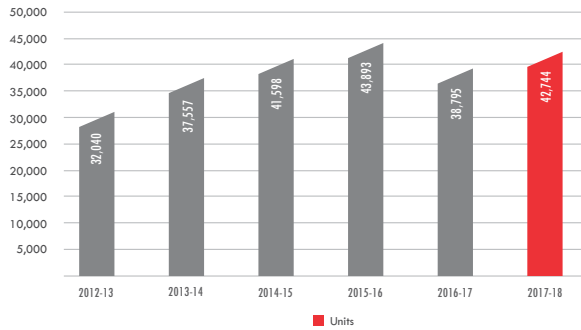
#### Registrar & Share Transfer Agent

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

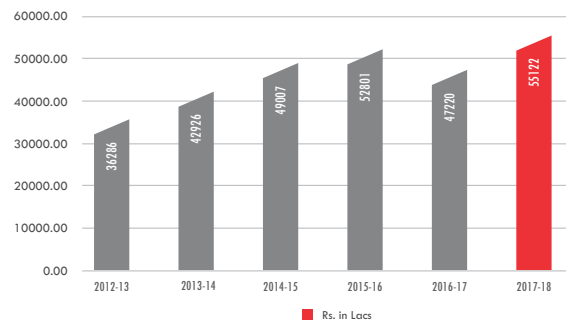


# Key Trends

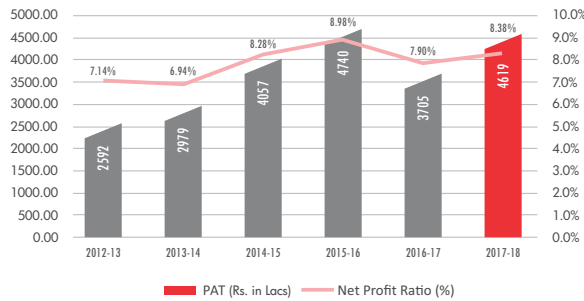
**No. of Vehicles sold**



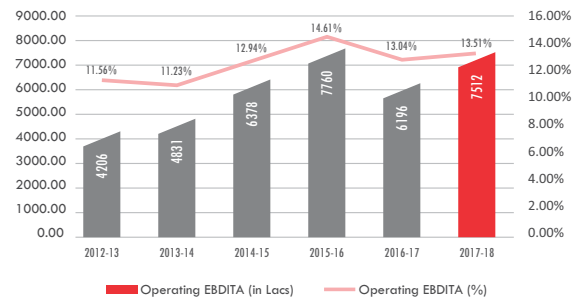
**Turnover**



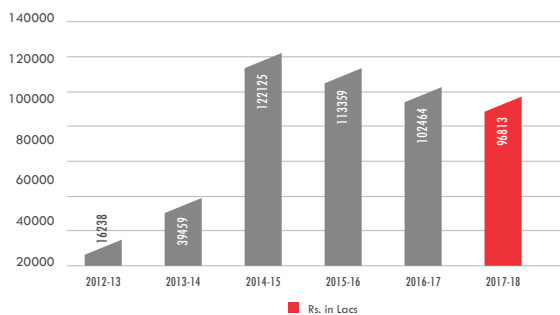
**Profit after Tax & Profitability**



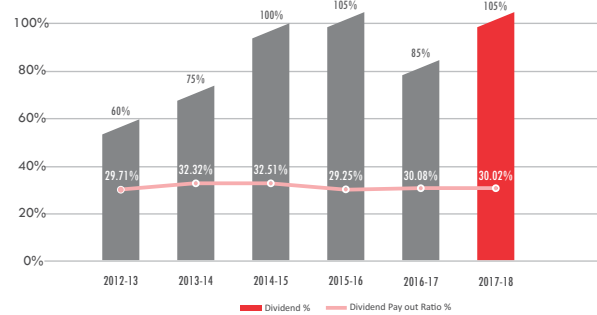
**Operating EBDITA and Margin**



**Market Capitalization**



**Dividend & Dividend Pay out Ratio**



# 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 <sup>#</sup>	2017-18 <sup>#</sup>
No of Vehicles sold	12,329	19,404	27,000	32,040	37,557	41,598	43,893	38,795	42,744
Total Revenue	12108	20266	29942	36582	43306	49866	53236	47779	55855
Turnover (Net of Excise Duty & GST)	11920	20107	29798	36286	42926	49007	52801	47220	55122
Profit before tax (PBT)	715	1406	2324	3722	4275	5925	7153	5610	6943
Profit before tax (%)	6.00%	6.99%	7.80%	10.26	%9.96%	12.09%	13.55%	11.88%	12.60%
Profit after tax (PAT)	454	943	1559	2592	2979	4057	4740	3705	4619
Net Profit Ratio	3.81%	4.69%	5.23%	7.14%	6.94%	8.28%	8.98%	7.85%	8.38%
EBDITA (in Lacs)	1420	2006	2814	4206	4831	6378	7760	6196	7512
EBDITA Margin (%)	11.85%	9.95%	9.42%	11.56%	11.23%	12.94%	14.61%	13.04%	13.51%
Paid up Share Capital (Equity)	585	585	731	1097	1097	1097	1097	1097	1097
Free Reserves & Surplus/ Other Equity	2726	3397	4824	6280	8297	10956	14310	17327	20842
Debt	2317	600	389	0	0	0	0	0	0
Equity / Share Holders' Fund	3311	3982	5555	7377	9394	12053	15407	18425	21939
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
Dividend %	20%	40%	50%	60%	75%	100%	105%	85%	105%
Dividend Pay out Ratio	30.18%	28.85%	27.26%	29.71%	32.32%	32.51%	29.25%	30.08%	30.02%
Market Capitalization	2619	6788	8393	16238	39459	122125	113359	102464	96813
No of Vehicles produced	12379	19321	27563	32013	37447	41565	44232	38981	42660
Capacity Utilisation (Installed Capacity: 24,000 Units upto FY 2011-12, 48,000 from FY 2012-13 Onwards and 60,000 from FY 2015-16 Onwards)	51.6%	80.5%	114.8%	88.9%	78.0%	86.6%	73.7%	65.0%	71.10%

<sup>#</sup> Figures for these years are as per new accounting standards (Ind AS) and Schedule III of Companies Act, 2013. However, 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 years. Hence, these numbers are not strictly comparable.

# Management Team



**J J Chandra**  
Chairman & Managing Director



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



**CA Hemantkumar Bhatt**  
Independent Director



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



**Hasmukh Adhvaryoo**  
Independent Director



**Hakubhai Lalakiya**  
Independent Director



**Niraj J Chandra**  
Whole-time Director



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



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



**A Padmanabhan**  
Mentor



## chairman's letter

Dear Shareholders,

This has been a year of 'Resilience in the face of headwinds'. This was a transformative year with the introduction of the Goods and Services Tax (GST), though trade conditions remained volatile during early implementation, they have since stabilised with an improvement in overall demand. The 3wheeler industry also moved in a positive direction with sales growing by 24% while exports recorded a whopping growth of 40%.

We at Atul have the benefit of a large portfolio that includes the economic pyramid with brands that have a relatively strong presence across the various categories. Our various initiatives have made us more agile, customer centric and responsive to the diverse and rapidly evolving marketplace. Our brands are driven by a low cost operative economy, making them more relevant to the consumers.

### Accelerating Pace

Atul Auto was born from an unwavering belief that by following our inner voice and convictions, we can make our presence felt across the three wheeler landscape, in India and across shores. That is why even as our operating environment changed dramatically, our unwavering philosophy of placing clients at the heart of everything helped us deliver strong double digit growth.

Leaving behind negative impact of previous fiscal in the FY 2017-18 we have attained both topline growth and margin improvement. Our business turnover on comparable basis, grew by 16.73% driven by volume growth of 10.18% (42,744 vehicles in FY 18 against 38,795 vehicles in FY 17). And despite the uphill circumstances, profit after tax grew by 24.67% to Rs.46.19 crores along with strong and sustained cash generation. We also continued our proud tradition, as we have since 2009, of maintaining our Debt Free Status during FY 2017-18.

In alternative fuel three wheelers, we accelerated our growth momentum and further strengthened our competitive position. Export volume delivered outstanding performance primarily driven by volume growth as our exports reached 3411 vehicles as against 2288 vehicles in FY 17. We also spread our wings across the globe as we entered in newer locations during FY 2018 like Ecuador, Guatemala, Ethiopia, Iraq, Somalia, Afghanistan etc. This performance was further backed up by increasing sales in existing markets like Nigeria, Mexico, Bangladesh, Kenya, Honduras, Peru etc.

### Emerging as a Strong Brand

At Atul we always look at the long arch of growth, planning moves today to create greater strategic leaps for tomorrow. Towards this we have continued focus on strong brand and market building initiatives. Our sales and distribution system, with national presence across urban and rural channels, remains a key competitive advantage.

Looking to achieve true transformation instead of just incremental growth, we continue to expand our direct coverage and leverage technology and intelligent analytics to significantly enhance our customer service. We have also continued to make significant investments in building capabilities to expand our product range and distribution channels for the future and substantial progress.

### Transformation through Innovation

Our transformation program is designed to provide greater flexibility in how we are positioned across our diverse markets and customer base. Our foundations and long tradition of R&D differentiates us from others and helps us to evolve products and upgrade existing ones, thus providing the resilience and agility that today's trading environment demands.

With strong R&D support, we have upgraded our manufacturing set up that can produce BS IV vehicles in FY 2017. From fiscal year 2018, we have also made the required strategic tie-ups and firmly moving towards transforming the product compliant 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.

### Powered by People

The key driver in delivering these strong results has been the important role that each of our businesses and functions have played. Individually and collectively, every Atul employee, has risen to the challenge. Through their efforts, the team across Atul is navigating the testing times in a robust way. Moreover, the Board and management are laying the foundations to make the Company more resilient and better able to capture the opportunities ahead.

### Towards a Brighter Future

Atul is accelerating on a path towards new horizons of growth, just as a New India is taking shape. This transformative direction we are taking is reflected in our theme "Naye Bharat ka Humsafar" We have a proven business model that supports long-term, compounding growth and sustainable value creation. Growing the core, evolving the portfolio and developing distribution channels remain at the heart of our future strategy.

I would like to thank all our stakeholders for standing strong by us through our journey. As we head towards the future and beyond, I assure you of our keen enthusiasm to take on new challenges and an unflinching commitment to deliver consistent growth, in any market environment.



**J J Chandra**  
Chairman and Managing Director








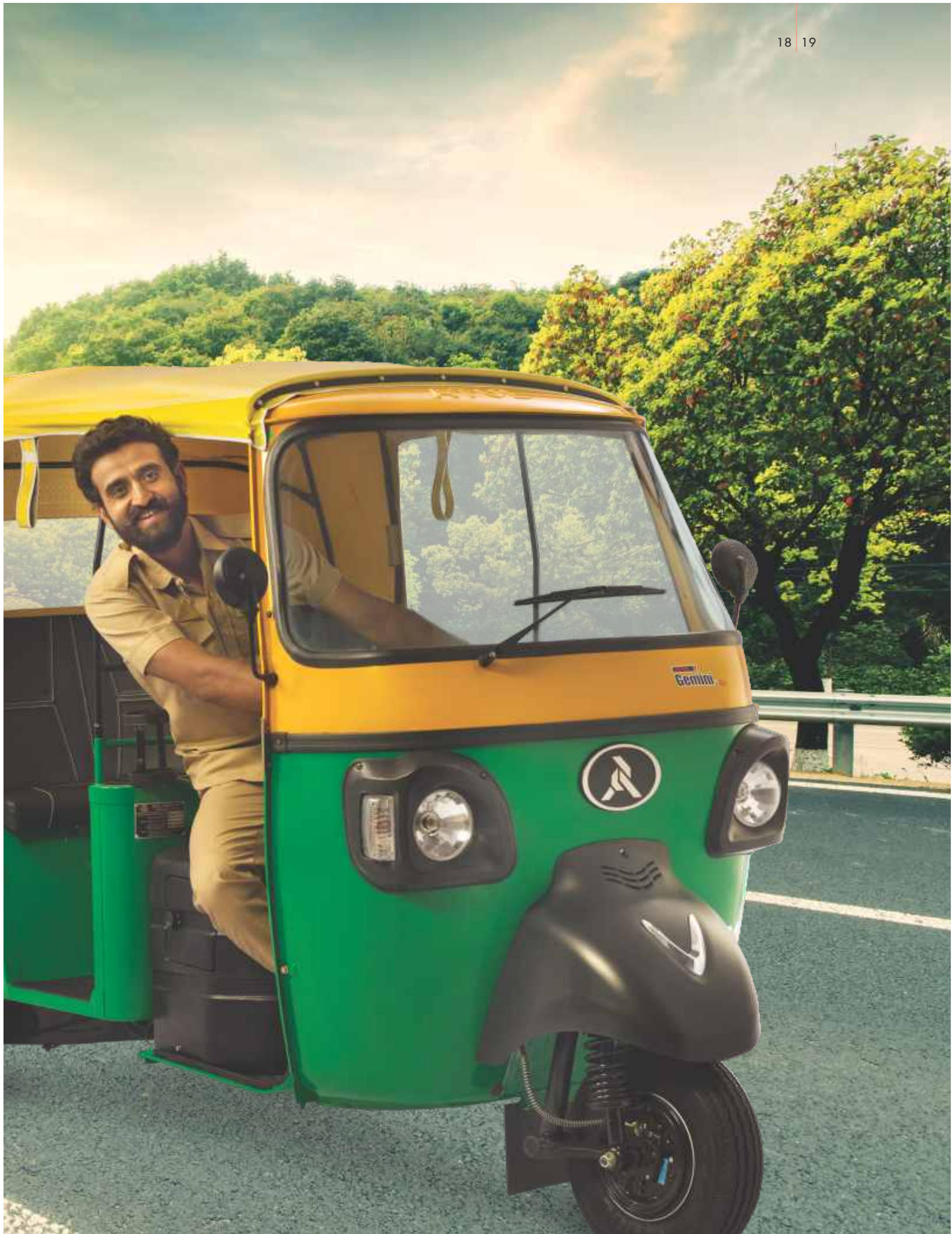
Our Core  
Focus Areas

# BS VI NORMS




As a responsible corporate citizen, Atul is striving to promote environmental stewardship through its practices and products. We recognize the importance of balancing growth with our goal to protect the environment.

DELIVERING  
PRODUCTS  
GOOD FOR PROFIT  
& THE PLANET







Bharat stage emission standards (BSES) are emission standards instituted by the Government of India to regulate the output of air pollutants from internal combustion engines and Spark-ignition engines equipment, including motor vehicles. The standards and the timeline for implementation are set by the Central Pollution Control Board under the Ministry of Environment & Forests and climate change.

Since October 2010, Bharat Stage (BS) III norms have been enforced across the country. Bharat Stage IV emission norms have been in place since April 2010 and it has been enforced for entire country since April 2017. In 2016, the Indian government announced that the country would skip the BS-V norms altogether and adopt BS-VI norms by 2020.

BS IV norms stipulate only 50 parts per million Sulphur compared with up to 350 parts per million under BS III. Also, Hydrocarbon, Nitrogen Oxide and particulate matter emissions are lower under BS IV.

With strong R&D support, the Company has upgraded its manufacturing set up that can produce BS IV vehicles in FY 2017 and from fiscal year 2018, the Company has also made the required strategic tie-ups and firmly moving towards transforming the product compliant with BS VI norms. Understanding the feedback from the market and implement the learning is need of the hour, the Company has been improving its product on continuous basis.

We are committing to adhering to the new emission free norms of a new India.





## Our Core Focus Areas


# ELECTRIC VEHICLE GREEN VEHICLE

Rising pollution levels in Indian cities and target to become energy independent are the major factors for push towards greener mobility. The Union government extended the Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME) scheme by six months or till the time the second phase of the scheme is approved by it.

As India aims to reduce 35% of its carbon footprint by 2030 under the Paris Climate Summit 2017, Atul is aiming to contribute in achieving the goal by developing electric vehicles that are 'Made in India'. As part of its commitment towards a greener tomorrow, it has focused towards improvement of Green 3wheelers run on electric energy, which have been introduced last year.

The belief that electric vehicles are the future of automobile sector was the prime motivation behind introducing E-vehicles during FY 2016-17. Called the "Elite" range, these vehicles straddle both the passenger and cargo segments and come in customizable configurations. With a running cost of just Rs. 0.3/km and Yearly Maintenance Cost of Rs. 6,500 only, these vehicles not only provide great value and savings for customers but also deliver zero carbon emissions and greener future for India.

The Board considers the introduction of Green 3Wheeler as beginning of new era for the industry as well as the Company.



# DRIVING INNOVATION ⚡ DELIVERING DELIGHT

This is a moment of great transformation in the 3wheeler industry and Atul aspires to be a leading partner that of India towards the realization of a zero-emission society. This is our opportunity to address unprecedented challenges facing the planet and humanity.



Our Core  
Focus Areas

# RESEARCH AND DEVELOPMENT





# TRANSFORMING TRANSPORTATION ON THREE WHEELS

At Atul our resolve to power ahead into the future is fuelled by the same innovation and the will to push boundaries. Since the 1970's we have been a trailblazer in the 3 wheeler auto category. Today, we are emerging with new vibrancy and energy as a powerful Company with 3 wheeler vehicles across the entire fuel range - Petrol, Diesel, CNG, LPG and Electric.

Your Company continues to derive sustainable benefit from the strong foundation and long tradition of R&D which differentiates it from others. We are focusing heavily on research and development to meet customer requirements, customer comfort, safety, mileage, technology upgradation, improving production quality etc. Towards this the R&D expenditure ramped up to Rs. 583.37 lakhs in FY 2017-18 as compared to Rs. 271.04 lakhs in FY 2016-17. With modern facilities and technology culture, we attracts the best talent to provide a significant technology differentiation to its products and processes.

Our vehicles are designed to navigate the toughest terrains and yet deliver the most efficient returns. Incorporating global standards and requirements in the design of new vehicles we are enhancing design efficiency with industry-standard technology- with each new vehicle being exposed to rigorous and extensive physical testing.

New products, processes and benefits flow from work done in various area of product development. This is the result of engineers and designers at Atul working closely with the 'front line' dealers and customers, receiving valuable first hand feedback. Thus inspiring relevant and exciting design solutions.

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



# Our Core Focus Areas

## EXPANDING EXPORT MARKET

India is among the top 20 exporting countries and has emerged as the largest three-wheeler industry with a large domestic market and export base on the back of strong demand from local as well as international markets.

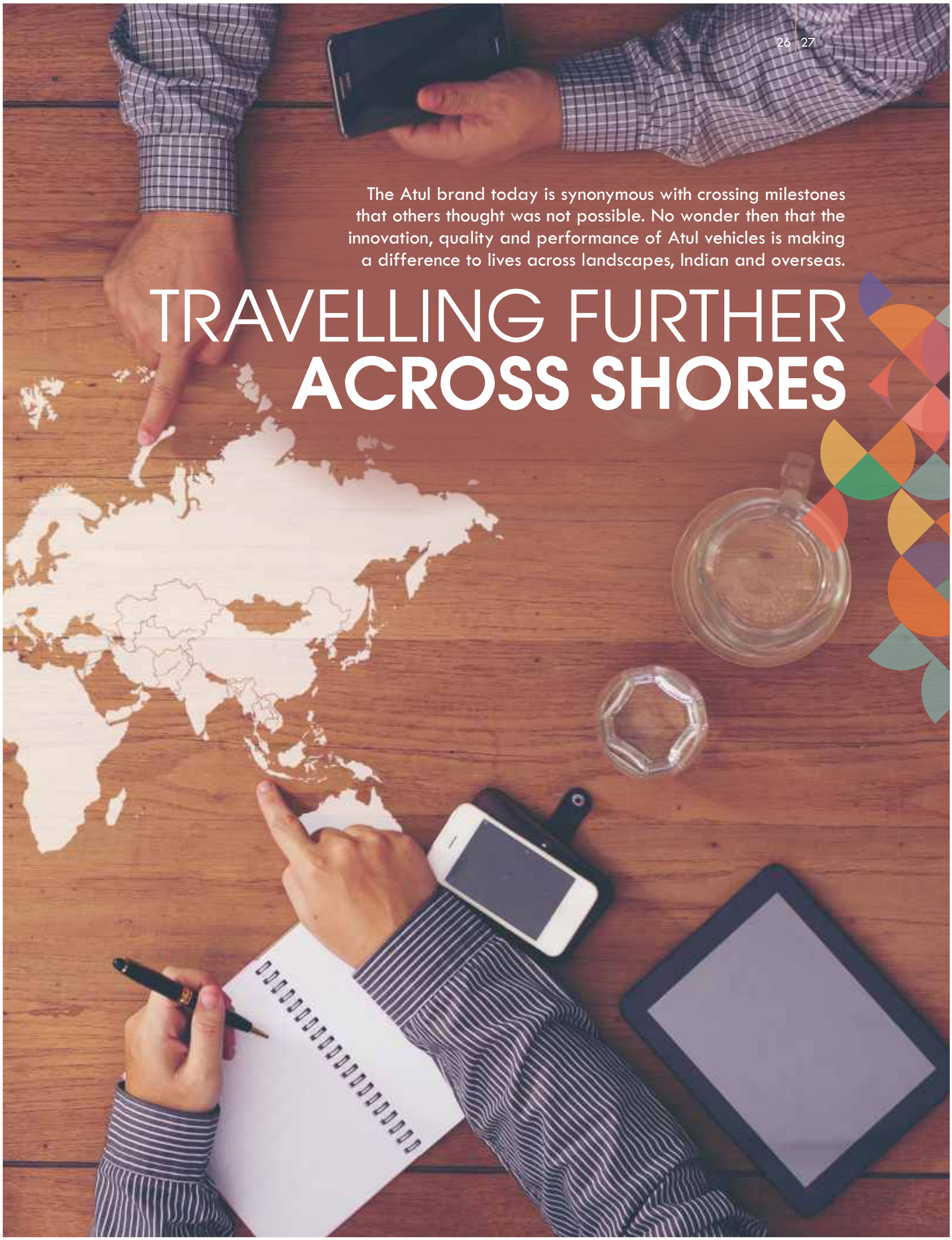
The reason behind export boom was higher demand for the last-mile connectivity in emerging markets of Africa and Southeast Asia.

Atul's export volume delivered outstanding performance driven by volume growth, with the number of vehicles exported reaching to 3411 vehicles in FY 18 as against 2288 vehicles in FY 17. As a part of long term approach we will continue to explore new locations as well as keep on penetrating deeply in the existing locations with proven strategies. During FY 2018, the Company could enter in newer locations like Ecuador, Guatemala, Ethiopia, Iraq, Somaliya, Afghanistan etc. with increasing its sales in existing markets like Nigeria, Mexico, Bangladesh, Kenya, Honduras, Peru etc.

Atul's strengths of quality, durability, reliability and innovation are help it leap across shores.

The Atul brand today is synonymous with crossing milestones that others thought was not possible. No wonder then that the innovation, quality and performance of Atul vehicles is making a difference to lives across landscapes, Indian and overseas.

# TRAVELLING FURTHER ACROSS SHORES





# MANAGEMENT DISCUSSION AND ANALYSIS

## ECONOMY

The business environment for Indian companies and trade has been challenging over the last three years. Although India continues to be one of the fastest growing largest economies in the world, FY 18 begun with stiff challenges for business community. Structural changes like demonetisation and transformative changes like the Goods and Services Tax (GST) had an impact across all the sectors. The year witnessed the implementation of GST across the country on from 1st July, 2017, followed by the second round of GST slab reductions implemented by the Government in November. This was a year of uncertainty in the market and hence, there was a careful sentiment in trade. While your Company was prompt and smooth in transitioning to the new tax regime, given the framework of this large transition that the country experienced, the functional environment for your Company during the year remained challenging.

The result of these two reforms was evident as the Gross Domestic Product (GDP) growth came crashing down to a three-year low of 5.7 per cent in the first quarter of 2017-18. It was largely because of pre-GST jitters and lingering effects of demonetisation.

The Indian economy seems to have started on the road to recovery from second quarter. GDP increased to 6.5 per cent in the second quarter and to 7.2 per cent in the third quarter. The second advance estimate of national income released by the Central Statistical Organisation (CSO) of the Government of India on February 28, 2018 has pegged India's real GDP growth for 2017-18 at 6.6% - which represents a deceleration of 50 basis points compared to 7.1% of the previous year. World Bank and International Monetary Fund (IMF) had also projected India's economy to grow a tad higher at 6.7 per cent for 2017-18. So, the growth for 2017-18 should to be around the figure projected by second advance estimates, depending on the fourth quarter GDP numbers.

This has been exacerbated with the Twin Balance Sheet problem in Indian Economy. As on December 31, 2017, gross non-performing loan assets (NPAs) of all banks in the country amounted to Rs.8,40,958 Crore. Of this, gross NPAs on loans to industry were at Rs.6,09,222 Crore which is 20.4% of the gross advances. Provisioning for these loans in line with increasingly stringent prudential norms prescribed by the Reserve Bank of India (RBI) has severely affected bank profits, eroded balance sheets and led to a state where most, if not all, banks are reluctant to offer term loans as well as working capital advances. This has choked off funding for many companies which, in turn, has compromised growth.

The rise in GDP from the second quarter of 2017-18 suggests that the initial negative impact of the GST and Demonetisation may be waning.

## THREE WHEELER INDUSTRY

The Indian automotive industry accounts for more than 8% of the country's GDP. The three-wheeler segment is the second fastest growing industry after two-wheeler. India has emerged as the largest three-wheeler industry with a large domestic market and export base on the back of strong demand from local as well as international markets. Moving in positive direction and opposite to economy growth trend in the year 2017-18, domestic 3 Wheeler sales grew by 24.19% to end the fiscal with the sale of 6,35,698 units as against 5,11,879 units sold in FY 2017. This was a much needed shot in the arm after a 4.9% decline in domestic sales in FY 2017. Moreover, exports were at 3,81,002 units during fiscal 2018 as against 271,894 units, recording a whopping growth of 40.13%. Riding high on the export front, the total three-wheeler industry ended FY 2018 with a 29.72% growth by hitting million units marks. The growth has been majorly led by surge in sales of passenger application. Passenger 3Wheeler grew @ 33.26% to end the fiscal with 8,94,234 units (6,71,189 units in FY17), the goods carrier saw a growth of 8.78% only to end at 1,22,466 units (1,12,584 units in FY17)

Geographically, Tier-II cities accounted for the highest revenue share of three wheelers as the major sales of e-rickshaw and CNG powered three wheelers are growing significantly in Tier-II cities. Tier-III cities and rural India are the most opportunistic and fastest growing markets and are expected to dominate the market in coming years.

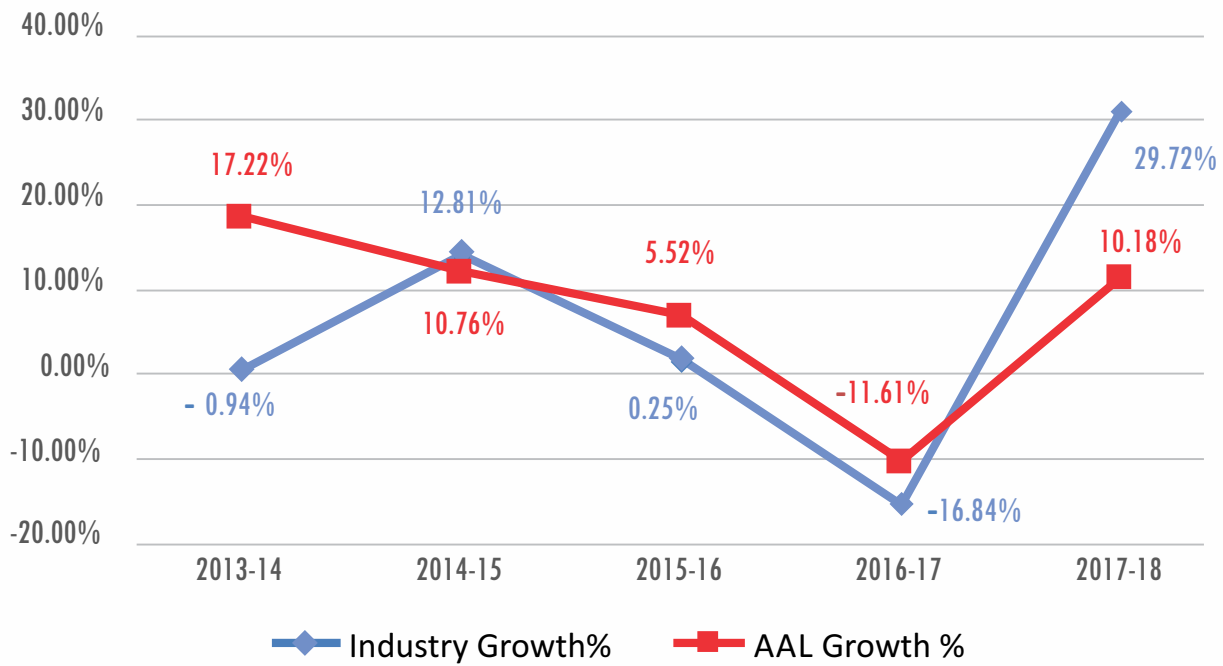
In urban markets, replacement demand has also been an important growth driver where in improving network of CNG fuel stations is driving replacement of older petrol or diesel powered 3Ws with ones based on CNG. Despite the fact that the usage of CNG is only mandatory in limited urban part of the country, the acceptance for CNG-based 3Ws has caught up in other cities as well primarily on back of favorable operating economics. The cargo variants face tough competition from small CVs but certain attributes like ease of operating and low cost operating economy support their sales.

The reason behind export boom was higher demand for the last-mile connectivity in emerging markets of Africa and Southeast Asia.

The Chart A shows the growth in 3Wheeler Industry vis-à-vis growth in performance of the Company.



## Industry V/s Atul Growth



Particulars	Domestic Sales			Exports			Total Sales		
	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16	2017-18	2016-17	2015-16
PAXX									
Industry	517423	402189	441091	376811	269000	401497	894234	671189	842588
Atul Auto	19910	18365	22398	2862	2053	1333	22772	20418	23731
CARGO									
Industry	118275	109690	97001	4191	2894	2944	122466	112584	99945
Atul Auto	19423	18142	19963	549	235	199	19972	18377	20162
TOTAL									
Industry	635698	511879	538092	381002	271894	404441	1016700	783773	942533
Atul Auto	39333	36507	42361	3411	2288	1532	42744	38795	43893

## COMPANY'S OPERATIONAL PERFORMANCE

It gives us great pleasure to share with you an update on the performance of your Company for the year 2017-18. It was a transformative year with the introduction of the Goods and Services Tax (GST), an important development that has created a single national market and will benefit both consumers as well as the industry. While trade conditions remained volatile during early implementation, they have since stabilised and there is an improvement in overall demand.

In this challenging business environment, your Company delivered a strong performance, could deliver the double digit growth as committed. Our various initiatives have made us more agile, customer centric and responsive to the diverse and rapidly evolving marketplace. Leaving behind negative impact of previous fiscal, in the FY 2017-18 we have attained both topline growth and margin improvement. In the year under review, our business turnover on comparable basis, grew by 16.73 % driven by volume growth of 10.18 % (42744 vehicles in FY 18 against 38795 vehicles in FY 17). EBITDA margin on a comparable basis, expanded by 21.23 % (Rs. 7512 lacs in FY 18 as against Rs. 6196 in FY 17). EBDITA Margin of the Company remained 13.51%. Profit after tax grew by 24.67% to Rs.46.19 crores. The strong track record of cash generation was sustained. The Board of Directors have proposed a final dividend of Rs.2.50 per share, subject to the approval of the shareholders at the Annual General Meeting. Together with an interim dividend of Rs.2.75 per share, the total dividend for the financial year ended March 31, 2018 amounts to Rs. 5.25 per share. Each of our businesses and functions played an important role in delivering these strong results. In alternative fuel three wheelers, we accelerated our growth momentum and further strengthened our competitive position. Export volume delivered outstanding performance driven by volume growth. Number of vehicles exported reached to 3411 vehicles as against 2288 vehicles in FY 17.

We also continued to innovate and invest behind emerging categories like electric 3 wheelers with excellent results. We have continued focus on strong brand and market building initiatives. Our sales and distribution system, with national presence across urban and rural channels, remains a key competitive advantage. We continued to expand our direct coverage and leverage technology and intelligent analytics to significantly enhance our customer service. The Company also continued to make significant investments in building capabilities to expand its product range and distribution channels for the future and substantial progress. Savings in costs and cash helped the business to invest behind growth and still deliver a healthy margin improvement. We remain committed to drive growth and at the same time, create overall positive impact.

## INTERNATIONAL BUSINESS

As per International Monetary Fund (IMF) data, the global economy grew at an average of 3.7% (2017) as compared to 3.2% (2016), and is expected to accelerate to 3.9% in 2018 and 2019. Amongst developed economies, there is a significant upward projection for US economy (2.7% in 2018 as compared to 2.3% in 2017), 2.2% growth in Euro zone and 1.2% in Japan. Emerging Asia as a group is unchanged at around 6.5% in 2018, broadly the same as 2017. Growth in Middle East & North Africa region is expected to remain subdued at 3.5% in 2018, while sub-Saharan Africa is expected to improve from 2.7% (2017) to 3.3 % (2018).

With increase of export sales from 2288 vehicles to 3411, the

Company foresees that efforts seeded are in right direction and it as an important contribution for the future growth of the Company. As a part of long term approach we will continue to explore new locations as well as keep on penetrating deeply in the existing locations with proven strategies. During FY 2018, the Company could enter in newer locations like Ecuador, Guatemala, Ethiopia, Iraq, Somaliya, Afghanistan etc. with increasing its sales in existing markets like Nigeria, Mexico, Bangladesh, Kenya, Honduras, Peru etc.

## PRODUCT AND PRODUCT DEVELOPMENT

Your 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. With modern facilities and technology culture, we attracts the best talent to provide a significant technology differentiation to its products and processes.

Our continuous focus on developing and evolving various products and upgrading existing one which provides the resilience and agility that today's trading environment demands. This has helped the company to create a business that is more consumer and customer-centric, faster, more efficient and empowered to enable faster decision-making. Given below are some of the key changes that are taking place and how your Company is preparing itself to turn them into opportunities.

Vehicles:

1. Development of all new alternative fuel 3 wheelers
2. Small cargo carrier
3. New designed Front Engine 3 wheelers
4. E auto

Technology:

1. Higher capacity gasoline engine
2. Preparing to meet with requirement for BS VI norms for entire range of product

With strong R&D support, the company has upgraded its manufacturing set up that can produce BS IV vehicles in FY 2017 and from fiscal year 2018, the Company has also made the required strategic tie-ups and firmly moving towards transforming the product compliant with BS VI norms. Understanding the feedback from the market and implement the learning is need of the hour, the Company has been improving its product on continuous basis.

The Company is also focused for improvement of Green 3wheeler run by electric energy which has been introduced last year. The Company is determined to explore this segment and believe that the electric vehicles are the future of automobile sector. The Board considers the introduction of Green 3Wheeler as beginning of new era for the industry as well as the Company.

## OPPORTUNITIES AND THREATS

Our success as an organisation depends on our ability to identify opportunities and leverage them while mitigating the risks that arise while conducting our business. Your Company is constantly aligning its products, processes and strategies to the changing market conditions to stay ahead of competition. The key thrust areas under the strategic pillar of continuous improvement are achieving profitable growth, improving customer service and quality, and building back-end

capabilities to improve our processes.

In India, favorable demographics, rise in incomes, growing awareness due to technology, easier access to products & services, improvisation in legislation and changing lifestyles are contributing to major shifts in consumer behavior and offering immense potential for the auto industry. This presents significant opportunities and headroom for growth for your Company. Your Company has the benefit of a large portfolio that includes the economic pyramid with brands that have a relatively strong presence across the various category and type of the vehicles on 3 wheelers platform. Our brands are driven by a low cost operative economy, making them more relevant to the consumers. To harness the opportunities in India, your Company is making significant investments in the categories of the future.

Auto companies are subjected to strict environmental regulations in India. The Bharat Stage regulations are constantly upgraded in India and hence the companies have to constantly modify their products in order to fall in line with the regulations which need constant and continuous investment to upgrade. This may affect the bottom-line of the Company.

Rising pollution levels in Indian cities and target to become energy independent are the major factors for push towards greener mobility. The Union government extended the Faster Adoption and Manufacturing of (Hybrid) and Electric Vehicles (FAME) scheme by six months or till the time the second phase of the scheme is approved by it. The Government is yet to freeze the contours of phase-2 of the FAME. Further clarity on government policies in this sector is awaited. The time when the Company is ready with its Green Vehicles variants, the clarity in this matter will be positive for the Company.

The Company is committed towards green tomorrow. With support of strong R & D, Dealer Network and Proven Strategies, the Company would overcome the barriers to come in a way and would excel in the industry in coming years.

## OUTLOOK

From a fundamental and medium-term perspective, automobile industry and within that 3 wheeler industry will continue to offer sizeable headroom for growth by increasing penetration as well as consumption. India continues to be one of the fastest growing economies in the world and this is expected to continue in financial year 2018-19, as per the latest economic survey. With GST having been successfully implemented, trade conditions have stabilised and we are witnessing a gradual improvement in demand. With announcement of budgetary allocation of Rs.14.34 Lakh Crores in the rural area for fiscal year 2018-19, the demand from rural sector will probably go up. We expect government spending plans such as increases to Minimum Support Price (MSP), provision of health insurance, etc. to bolster rural development and drive consumption. Normal monsoon, as forecasted, will help the overall economy. Crude oil led inflation, emerging global events and disruptions, if any, from state elections are potential headwinds which need to be managed carefully.

Considering the growth potential and downside risks, the government expects India's GDP to expand at a growth rate between 7.0 - 7.5 per cent during 2018-19.

Your company, with its brands, talent and investment in capabilities, is well placed to leverage these opportunities. Your Company's strategy to lead market development while keeping the sustainable living plan

its core, will enable it to create long-term value for all stakeholders.

Your company has a proven business model that supports long-term, compounding growth and sustainable value creation. Growing the core, evolving the portfolio and developing distribution channels are at the heart of our strategy to deliver long-term, compounding growth and sustainable value creation.

## RISK AND CONCERN

Crude prices have been rising over last one year and this trend is expected to continue in 2018. Rising commodity prices will put some cost pressures in the year 2018-19. In addition to that the intensifying competition with price led marketing actions remain concern for bottom-line. Any increase in interest rate may also affect the spending decisions of the buyer.

## INTERNAL CONTROL SYSTEMS

The Company has satisfactory internal control systems, which are 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.

## HUMAN RESOURCES & INDUSTRIAL RELATIONS

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, 2018, the number of employees working with the Company was 868.

Continuously, the Company maintains good industrial relations without any disruption in work.

## Cautionary Statement

This document contains statements about expected future events, financial and operating results of Atul Auto Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Atul Auto Limited's Annual Report FY2018.

## NOTICE OF AGM

Notice is hereby given that the Thirtieth Annual General Meeting (AGM) of the Members of Atul Auto Limited will be held on Friday, September 28, 2018 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, Shapar (Veraval), District Rajkot, Gujarat, INDIA 360024 to transact the following business:

### 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, 2018, together with the Directors Report thereon and Auditors' Report thereto.
2. To declare a final dividend on equity shares for financial year 2017-18.
3. To appoint a Director in place of Mr. Mahendra J Patel (DIN 00057735), who retires by rotation and being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

#### 4. Appointment of Ms. Margie S Parikh as Independent Director

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

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 160 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Margie S Parikh (DIN: 07056179), who was appointed as Independent Director of the Company for three years from August 31, 2015 to August 30, 2018 and who qualifies for being appointed as Independent Directors of the Company for further period, be appointed as Independent Director of the Company for two more consecutive years commencing from August 31, 2018 to August 30, 2020.”

#### 5. Re-appointment of Mr. Jayantibhai J Chandra as Chairman and Managing Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 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, approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Jayantibhai J Chandra (DIN: 00057722) as Chairman and Managing Director of the Company for a period of three years with effect from April 01, 2019 to March 31, 2022 on

such terms and conditions mentioned hereunder:

#### Remuneration:

Mr. J J Chandra will be paid remuneration of Rs.11,66,000/- (Rupees Eleven Lacs Sixty Six Thousands Only) per month w.e.f. June 01, 2018 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.

#### Other Facilities (In addition to above remuneration):

- He shall also 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.20,000/- on yearly basis for the personal accident cover for Mr. J J Chandra.

“RESOLVED FURTHER THAT the agreement to be entered into by the Company with Mr. J J Chandra, setting out the aforesaid terms and conditions of the employment, initialed by Whole-time Director & CFO of the Company for the purpose of identification which is hereby specifically approved.”

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

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. J J Chandra, the above referred remuneration shall be paid to 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.”

## 6. Re-appointment of Mr. Mahendra J Patel as Whole-time Director & CFO

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 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, approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Mahendra J Patel (DIN: 00057735) as Whole-time Director & CFO of the Company for a period of three years with effect from April 01, 2019 to March 31, 2022 on such terms and conditions mentioned hereunder:

Remuneration:

Mr. M J Patel will be paid remuneration of Rs.10,12,000/- (Rupees Ten Lacs Twelve Thousands Only) per month w.e.f. June 01, 2018 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.

Other Facilities (In addition to above remuneration):

- He shall be entitled to gratuity and other statutory retirement benefits.
- He shall also 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. Mahendra 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.20,000/- on yearly basis for the personal accident cover for Mr. Mahendra J Patel.

“RESOLVED FURTHER THAT the agreement to be entered into by the Company with Mr. M J Patel, setting out the aforesaid terms and conditions of the employment, initiated by Chairman and Managing Director of the Company for the purpose of identification which is hereby specifically approved.”

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

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. M J Patel, the above referred remuneration shall be paid to 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.”

## 7. Re-appointment of Mr. Niraj J Chandra as Whole-time Director

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

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 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, approval of members of the Company be and is hereby accorded to the re-appointment of Mr. Niraj J Chandra (DIN: 00065159) as Whole-time Director of the Company from conclusion of thirtieth Annual General Meeting to March 31, 2021 on such terms and conditions mentioned hereunder:

Remuneration:

Mr. Niraj J Chandra will be paid remuneration of Rs.5,00,000/- (Rupees Five Lacs Only) per month w.e.f. June 01, 2018 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.

Other Facilities (In addition to above remuneration):

- He shall be entitled to gratuity and other statutory retirement benefits.
- He shall also 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.20,000/- on yearly basis for the personal accident cover for Mr. Niraj J Chandra.

“RESOLVED FURTHER THAT the agreement to be entered into by the Company with Mr. Niraj J Chandra, setting out the aforesaid terms and conditions of the employment, initiated by Whole-time Director & CFO of the Company for the purpose of identification which is hereby specifically approved.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to vary and/or modify the terms and

conditions of the Agreement that may be entered as set out in the said agreement including remuneration payable to Mr. Niraj J Chandra in such manner and within the limits as prescribed in Schedule V to the Companies Act, 2013 including any amendment, modification, variation or re-enactment there of which will be subject to the approval of members at the General Meeting.”

“RESOLVED FURTHER THAT in the event of any loss, absence or inadequacy of the profits of the Company in any financial year, during the term of office of Mr. 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.”

#### **8. Approval to deliver document through a particular mode as may be sought by the member**

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

“RESOLVED THAT pursuant to Section 20 of the Companies Act, 2013 and the Rules made thereunder (hereinafter referred to as 'the Act'), the consent of the Company be and is hereby accorded to the Board of Directors of the Company to serve document(s) on Member(s) of the Company by post or by registered post or by speed post or by courier or by delivering at their address, or by such electronic or other mode prescribed under the Act and desired by Member(s), from time to time.”

“RESOLVED FURTHER THAT upon request of Member(s) for delivery of any document(s) through a particular mode, the Company do serve the same to the Member(s) through that particular mode and/ or charge such fees which shall not be more than the estimated actual expenses of delivery of the documents including handling charges, if any, to deliver the documents in a particular mode.”

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be deemed necessary, proper or expedient to give effect to this resolution.”

#### **9. To authorize Board of Directors to provide loan, give guarantee and make investment under section 186 of the Companies Act, 2013**

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

“RESOLVED THAT pursuant to the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 and such other provisions as may be applicable, including any statutory modification(s) or re-enactment(s) thereof for the time being in force, the consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall be deemed to include, unless the context otherwise requires, any committee of the Board or any officer(s) authorized by the Board to

exercise the powers conferred on the Board under this resolution) to give any loan(s) to any person or other body corporate and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) to any other body corporate or person and / or acquire by way of subscription, purchase or otherwise the securities of any other body corporate, whether Indian or overseas as they may in their absolute discretion deem beneficial and in the interest of the Company in excess of sixty percent of the paid up Share Capital, Free Reserves and Securities Premium of the Company or Hundred percent of Free Reserves and Securities Premium of the Company whichever is more, as prescribed under Section 186 of the Companies Act, 2013 from time to time, provided that the aggregate amount of loans, guarantees, securities granted and investments made in securities by the Company shall not at any time exceed the limit of INR 750 crores (Rupees Seven Hundred and Fifty Crores only) or above prescribed limit under section 186 of the Companies Act, 2013.”

“RESOLVED FURTHER THAT to give effect to this resolution, the Board be and is hereby authorized to negotiate and finalize the terms and conditions from time to time and to do and perform all such acts, deeds, matters and things, as may be necessary or expedient and to exercise all the rights and powers, as deem necessary, proper and desirable, including to settle any question, difficulty or doubt that may arise in respect of such loan(s), investment(s), guarantee(s) or security(ies) made or given by the Company (as the case may be)”.

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

(Paras J Viramgama)  
Company Secretary & Compliance Officer

Place: Shapar (Dist. Rajkot)  
Date: May 19, 2018

#### **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 (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member. 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, should be deposited at the Registered Office of the Company, duly completed, signed and stamped, not less than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/ authority, as applicable.

- B. The Statement, pursuant to Section 102 of the Companies Act, 2013 with respect to Item Nos. 4 to 9 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/re-appointment 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 Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive) for the purpose of Annual General Meeting and determining the shareholders who are entitled to receive dividend.
- D. The dividend as recommended by the Board of Directors if declared at the Annual General Meeting will be paid on or after September 28, 2018 but before October 27, 2018 to those shareholders who hold shares as on September 21, 2018.
- E. The attention of Members is particularly drawn to the relevant para of the Corporate Governance Report forming part of the Directors' Report in respect of unclaimed and unpaid dividends and transfer of dividends/shares to Investor Education and Protection Fund (IEPF).
- F. 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.
- G. 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.
- H. The Securities and Exchange Board of India (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. Electronic copy of the Annual report 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.
- J. 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 2017-18 and previous years will also be available on the Company's website [www.atulauto.co.in](http://www.atulauto.co.in) for download.
- K. 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 the Annual General Meeting of the Company and the copies thereof shall be available for inspection in physical or electronic form.
- L. Members desiring any information as regards 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.
- M. 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 the annual general meeting of the Company and shall remain open and accessible during the continuance of the meeting to any person having the right to attend the meeting.
- N. Voting through Electronic Means
- In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules issued thereunder and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) 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 Friday, September 21, 2018 i.e. cut-off date only shall be entitled to avail the facility of remote e-voting as well as the voting in the Annual General Meeting. The members may cast their votes on electronic voting system from place other than the venue of the meeting ("remote e-voting").
- The remote e-voting period will commence at 9.00 AM on Tuesday, September 25, 2018 and will end at 5.00 PM on Thursday, September 27, 2018. The Members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM by Postal Ballot. The Members desiring to vote through remote e-voting are requested to refer to the detailed instructions given hereunder:
- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (ii) Click on Shareholders.
  - (iii) 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.
  - (iv) Next enter the Image Verification as displayed and Click on Login.



(v) 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.

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

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <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 printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>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.</p> <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.</li> </ul>

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

(viii) 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.

(ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(x) Click on the EVSN for Atul Auto Limited.

(xi) 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.

(xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiii) 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.

(xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xvi) 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.

(xvii) Shareholders can also use Mobile app - "m - Voting" for e voting . m - Voting app is available on Apple, Android and Windows based Mobile. Shareholders may log in to m - Voting using their e-voting credentials to vote for the company resolution(s).

(xviii) Note for Non - Individual Shareholders and Custodians

a. 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.

b. 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).

c. After receiving the login details, user would be able to link the account(s) for which they wish to vote on.

d. 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.

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

(xix) 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.

(xx) Mr. Bunty Hudda, Practicing Company Secretary (ICSI Membership No. 31507) 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.

(xxi) 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.

(xxii) 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.

- (xxiii) 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).

#### **STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“THE ACT”)**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

##### **Item No. 4:**

Ms. Margie S Parikh has been appointed as Independent Director of the Company at Twenty Seventh Annual General Meeting of the Company for an initial period of 3 (Three) years with effect from August 31, 2015 and this term expires on August 30, 2018.

Considering the performance and contribution of Ms. Parikh during her initial term as Independent Director, the Nomination and Remuneration Committee has recommended the Board to extend her term upto the maximum permissible period under the Companies Act, 2013 i.e. for two more years i.e. upto August 31, 2020. The Board of Directors at its meeting held on May 19, 2018 agreed to extend the term of office of Ms. Parikh for two more years i.e. upto August 31, 2020 subject to approval of shareholders in this Annual general Meeting.

Ms. Parikh is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director. The Company has received a declaration from Ms. Parikh that she meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”). In the opinion of the Board, she fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations. Ms. Parikh is independent of the management and possesses appropriate skills, experience and knowledge.

Details of Ms. Margie Parikh are provided in the “Annexure” to the Notice pursuant to the provisions of (i) the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of draft letter of appointment of Ms. Parikh setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

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

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the members.

##### **Item No. 5:**

Mr. Jayantibhai J Chandra was reappointed as Chairman and Managing Director of the Company with effect from April 01, 2016 for a period of 3 (three) years. The Board of Directors of the Company at its meeting held on May 19, 2018 evaluated the performance of the Company during the tenure of Mr. J J Chandra, reviewed the recommendations of Nomination and Remuneration Committee and thereafter reappointed Mr. J J Chandra as Chairman and Managing Director of the Company with effect from April 01, 2019 subject to the approval of Members in ensuing Annual General

Meeting. Further, the Board also revised the terms and conditions (including increase in remuneration) of reappointment of Mr. J J Chandra subject to approval of Members.

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

The Information on the re-appointment of Chairman and Managing Director pursuant to the provisions of the Companies Act 2013, the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards (SS-2) issued by the Institute of Company Secretaries of India is annexed to this notice. For brevity, the particulars of the proposed remuneration and other benefits payable to Mr. J J Chandra are not being set out in the explanatory statement, and the members are requested to refer to the same as set out in the body of the resolution.

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

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

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

##### **Item No. 6:**

Mr. Mahendra J Patel was reappointed as Whole-time Director & CFO of the Company with effect from April 01, 2016 for a period of 3 (three) years. The Board of Directors of the Company at its meeting held on May 19, 2018 evaluated the progress made by the Company during the tenure of Mr. M J Patel, reviewed the recommendations of Nomination and Remuneration Committee and thereafter reappointed Mr. M J Patel as Whole-time Director & CFO of the Company with effect from April 01, 2019 subject to the approval of Members in ensuing Annual General Meeting. Further, the Board also revised the terms and conditions (including increase in remuneration) of reappointment of Mr. M J Patel subject to approval of Members.

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

The Information on the re-appointment of Whole-time Director & CFO pursuant to the provisions of the Companies Act 2013, the Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards (SS-2) issued by the Institute of Company Secretaries of India is annexed to this notice. For brevity, the particulars of the proposed remuneration and other benefits payable to Mr. M J Patel are not being set out in the explanatory statement, and the members are requested to refer to the same as set out in the body of the resolution.

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

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

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

**Item No. 7:**

Mr. Niraj J Chandra was reappointed as Whole-time Director of the Company with effect from April 01, 2015 till the conclusion of ensuing Annual General Meeting. The Board of Directors of the Company at its meeting held on May 19, 2018 evaluated the results of young leadership of Mr. Niraj J Chandra and its benefits to the Company during his tenure, reviewed the recommendations of Nomination and Remuneration Committee and thereafter reappointed Mr. Niraj J Chandra as Whole-time Director of the Company from the conclusion of the ensuing Annual General Meeting to March 31, 2021 subject to the approval of Members in ensuing Annual General Meeting. Further, the Board also revised the terms and conditions (including increase in remuneration) of reappointment of Mr. Niraj J Chandra subject to approval of Members.

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

The Information on the re-appointment of Whole-time Director pursuant to the provisions of the Companies Act 2013, the Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards (SS-2) issued by the Institute of Company Secretaries of India is annexed to this notice. For brevity, the particulars of the proposed remuneration and other benefits payable to Mr. Niraj J Chandra are not being set out in the explanatory statement, and the members are requested to refer to the same as set out in the body of the resolution.

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

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

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

**Item No. 8:**

Pursuant to the provisions of Section 20 of the Companies Act, 2013 ('the Act') and the Rules made thereunder, a document may be served on a Member of the Company by sending the same to him by post or by registered post or by speed post or by courier or by delivering it at his office or address, or by such electronic or other mode as may be prescribed. However, proviso to sub-section (2) of Section 20 of the Act states that a Member may request for delivery of any document through a particular mode, for which he/she shall pay such fees as may be determined by the company at its Annual General Meeting ('AGM').

Further, listed companies are required to send financial statements:

- (a) by electronic mode to such members whose shareholding is in Demat form and whose E-mail IDs are registered with Depository for communication purposes;

- (b) where Shareholding is held otherwise than by Demat form, to such members who have positively consented in writing for receiving by electronic mode; and

- (c) by dispatch of physical copies through any recognized mode of delivery as specified under section 20 of the Act, in all other cases.

Accordingly, consent of the members is sought for passing the Special Resolution as set out in Item No. 8 of the Notice relating to serving the documents including financial statements to the members of the Company in a requested mode with prescribing the charges/ fees.

In view of this, the Board of Directors recommends the resolution as set out in Item No. 8 of the Notice for approval by the Members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item No. 9:**

Pursuant to Section 186 of the Companies Act, 2013, the Board of Directors is not allowed to give loans, guarantees or provide securities, acquire by way of subscription, investment, purchase or otherwise, the securities of any other body(ies) corporate, its own subsidiary, associate company, exceeding sixty percent of its paid up share capital, free reserves and securities premium account or one hundred percent of its free reserves and securities premium account, whichever is more without prior approval of members by a special resolution passed in a general meeting.

Now, the Company requires to give loans, guarantees or provide securities, acquire the securities in excess of the above prescribed limit under section 186 of the Act for the purpose of extending financial support to its Subsidiary and Associate Company by way of providing guarantee or acquiring the securities by way of subscription, investment, purchase or otherwise.

In view of the same it is proposed to pass enabling resolutions authorizing Board of Directors of the company to give guarantees, securities, loans and/or make investments up to the limit of Rs.750 Crores or limits prescribed under Section 186 of the Companies Act, 2013 (as may be amended from time to time), whichever is higher.

The Board of Directors had, in its meeting held on May 19, 2018 considered and approved this proposal, subject to the approval of Shareholders through Postal Ballot process (including E-voting).

In view of this, the Board of Directors recommends the resolution as set out in Item No. 9 of the Notice for approval by the Members of the Company by way of a Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

By order of the Board of Directors,  
for Atul Auto Limited

(Paras J Viramgam a)  
Company Secretary & Compliance Officer

Place: Shapar (Dist. Rajkot)  
Date: May 19, 2018

## PROFILES OF THE DIRECTORS BEING APPOINTED/ RE-APPOINTED

Name of Director	Mr. J J Chandra	Mr. Mahendra J Patel	Mr. Niraj J Chandra	Ms. Margie Parikh
DIN	00057722	00057735	00065159	07056179
Date of Birth	20/10/1956	14/10/1963	27/09/1979	05/09/1964
Date of Appointment	18/06/1986	30/11/1994	01/03/2012	31/08/2015 (As Independent Director)
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.	Mr. M J Patel has rich experience of more than 25 years in assembling and production of the three wheeler automobiles. He is also expert in managing the financial matters of the Company.	Mr. N J Chandra is expert in managing Human Resource and Industrial Relations of the Company. He has experience of leading the market expansion strategy of leading the market expansion of the company in international market.	Dr. Margie S. Parikh has around 23 years of experience in the field of management and has authored many books on organizational behavior and management. She is currently affiliated with famous business management schools in Gujarat as a lecturer and researcher.
Academic Qualification	Under Graduate	Under Graduate	Under Graduate	MBA Ph.D.
Name of other Companies in which he/she holds Directorship*	Nil	Nil	Nil	Nil
Name of other companies in which he/she holds Chairmanship/ Membership of Committees of Board	Nil	Nil	Nil	Nil
No. of Shares held in Atul Auto Limited	13,51,742	2,77,848	1,05,118	Nil
Relationship with other directors	Father of Mr. Niraj J Chandra	None	Son of Mr. J J Chandra	None

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

# BOARD'S REPORT

Dear Members,

The Board of Directors are pleased to present Thirtieth Annual Report along with the audited financial statements for the financial year ended March 31, 2018.

## FINANCIAL RESULTS

The financial performance of the Company on standalone basis for the year ended March 31, 2018 is summarized below:

(Rs. in Lacs except EPS)

Particulars	2017-18	2016-17
<b>Revenue from Operations</b>	<b>56,933</b>	<b>53,191</b>
Other Income	257	247
<b>Total Income</b>	<b>57,190</b>	<b>53,438</b>
Operating Costs	49,679	47,242
<b>Profit Before Depreciation, Interest, Exceptional Items and Tax (PBDIT)</b>	<b>7,511</b>	<b>6,196</b>
Depreciation & Amortization Expense	526	528
<b>Profit before Interest, Exceptional Items and Tax</b>	<b>6,985</b>	<b>5,668</b>
Interest	42	58
Exceptional Items	-	-
<b>Profit before Tax (PBT)</b>	<b>6,943</b>	<b>5,610</b>
Tax Expense	2,324	1,905
<b>Profit after Tax (PAT)</b>	<b>4,619</b>	<b>3,705</b>
Other Comprehensive Income	18	11
<b>Total Comprehensive Income for the period</b>	<b>4,637</b>	<b>3,716</b>
Opening Balance in Profit and Loss Account	14,702	12,746
<b>Appropriations</b>		
Dividend	933	1,152
Tax on Dividend	190	235
Transfer to General Reserve	--	373
<b>Balance carried to Balance Sheet as Retained Earnings</b>	<b>18,216</b>	<b>14,702</b>
<b>Earnings per Share (Rs.)</b>	<b>21.05</b>	<b>16.88</b>

## FINANCIAL REVIEW AND HIGHLIGHTS

The Company has performed well during the financial year 2017-18 and reached to the new scale of business operations. The Highlights of the Company's financial performance (Standalone) for the year ended March 31, 2018 are as under:

- The Company has sold 42,744 vehicles in FY 2017-18 in compare to 38,795 in previous year. Thus, the Company has achieved the growth of double digit i.e. 10.18% as committed.
- The Company has achieved highest ever turnover in FY 2017-18 i.e. Rs.55,122 Lacs
- Revenue from operations increased by 7.03% to Rs.56,933 Lacs (Previous year Rs.53,191 Lacs)
- Export revenue increased by 53.45% to Rs.4,005 Lacs (Previous year Rs.2,610 Lacs)
- PBDIT increased by 21.22 % to Rs.7,511 Lacs (Previous year Rs.6,196 Lacs)
- Profit before tax (PBT) increased by 23.77% to Rs.6,943 Lacs (Previous year Rs.5,610 Lacs)
- Net Profit (PAT) increased by 24.68% to Rs.4,619 Lacs (Previous year Rs.3,705 Lacs)

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

## DIVIDEND

During the financial year 2017-18, the Board of Directors of the Company declared and paid an interim dividend of Rs.2.75 (Rupees two and paise Seventy Five Only) (55%) per equity share of the face value of Rs.5 (Rupees Five Only) each in the month of December 2017. In addition to that, your Directors recommend payment of Rs.2.50 (Rupees Two and Fifty Paise Only) (50%) per equity share of the face value of Rs.5 (Rupee Five Only) each as final dividend for the financial year 2017-18, subject to the approval of the shareholders at the ensuing AGM. If approved, the total dividend (interim plus final dividend) for the financial year 2017-18 will be Rs.5.25 (Rupees Five

and Twenty Five Paise only) (105%) per equity share of the face value of Rs.5 (Rupees Five Only) each as against the total dividend of Rs.4.25 (Rupees Four and paise Twenty Five Only) (85%) per equity share of the face value of Rs.5 (Rupees Five Only) paid for the previous financial year 2016-17.

The Company has maintained its dividend payout ratio for the year inclusive of dividend distribution tax at 30%. The total dividend (interim plus final dividend) pay-out (including dividend distribution tax) for the financial year 2017-18 will be Rs.1387 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 2017-18 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.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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 this report as Annexure [A].

#### Khushbu Auto Finance Limited

The Company is having an Associate Company namely, Khushbu Auto Finance Limited ("KAFL"), a Non-Banking Finance Company categorized as Asset Finance Company ("AFC"). KAFL, registered with RBI as Asset Finance Company (AFC) is primarily in the business of financing of automobile vehicles.

During the financial year 2017-18, KAFL disbursed loan of Rs.10,044 Lacs to 6050 customers. The Asset Under Management (AUM) of the Company as on March 31, 2018 was Rs.11470 Lacs in compare to Rs.3299 Lacs as on March 31, 2017. During FY 2017-18, the Company has generated operational revenue of Rs.1549 Lacs in compare to last year of Rs.286 Lacs. The Profit before Tax of the Company converts in positive numbers from FY 2017-18 i.e. Rs.474 Lacs in compare to loss of Rs.61 Lacs in previous year. The Company

has earned net profit after tax of Rs.861 Lacs in the year under review. (The financial figures provided here are as per I-GAAP and not as per Ind-AS though the consolidation of accounts has been done as per Ind-AS.)

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 and Karnataka through Direct Branch Operations/ IDPs.

To meet with the requirements of working capital, KAFL had increased equity share capital of Rs.18 Crores by right issue of 90 lacs equity shares of face value of Rs.10/- at a premium of Rs.10/- each. KAFL had also secured conventional working capital finance facilities from various Banks/ NBFCs for a total amount of Rs.150 Crores as on March 31, 2018. Atul Auto Limited has provided the corporate guarantee for repayment of these facilities to the Lenders.

KAFL had incorporated a Wholly Owned Subsidiary namely Sanand Home Finance Limited on June 27, 2017 with an object to commence the business of housing finance. KAFL has invested Rs.5 Lacs as initial equity share capital in Sanand Home Finance Limited. The business will be commenced after obtaining the required license from National Housing Bank (NHB).

#### Atul Green Automotive Private Limited

Atul Auto Limited has incorporated a Wholly Owned Subsidiary namely Atul Green Automotive Private Limited with an object of exploring opportunities in providing e-mobility and green energy. The Registrar of Companies, Gujarat, had issued the Certificate of Incorporation on February 12, 2018. The Company has invested Rs.1 Lac as an initial equity share capital in the Company. This Company is planning to commence its business in financial year 2018-19.

The Company does not have any Joint Venture as on March 31, 2018.

### LOANS, GUARANTEES AND INVESTMENTS

During the year under Report, the Company has not given any loans or provided security to any person or body corporate beyond the limit as prescribed under Section 186 of the Companies Act, 2013.

The Company has provided the corporate guarantee of total amounting to Rs.150 Crores in favour of below Banks/ Financial Institutions guarantying the repayment of credit facilities in case of default by Khushbu Auto Finance Limited. Khushbu Auto Finance Limited will utilize the money borrowed for the purpose of onward lending to their customers:

Sr No	Name of Bank/ Financial Institutions	Guarantee Given (Rs. In Lacs)	Utilization of Credit Facilities by KAFL as on March 31, 2018
1	IDBI Bank	2500	0
2	ICICI Bank	2500	2420
3	Yes Bank	5000	3192
4	Clix Finance India Private Limited	5000	2500

During the year, the Company has invested following amounts in equity share capital of the Company:

Sr No	Name of Company	Type of Company	Investment (Rs. in Lacs)	Nature of Investment
1	Khushbu Auto Finance Limited	Associate	5400	Subscribed 27 Lacs right equity shares of face value of Rs.10/- each at a premium of Rs.10/-
2	Atul Green Automotive Private Limited	Wholly Owned Subsidiary	1	Initial subscription money for 10,000 equity shares of Rs.10/- each on incorporation of the Company

## LIQUIDITY

We continue to be debt-free company and maintain sufficient cash to meet our strategic objectives. 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. We believe that our working capital is sufficient to meet our current requirements. As on March 31, 2018 we had liquid assets of Rs.6181 lacs as against Rs. 5668 lacs at the previous year end. These funds comprise cash, bank balance and investment in liquid mutual funds.

## 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.685 Lacs (including Capital-work-in progress of Rs.220 Lacs) whereas in previous year, it was Rs.821 Lacs (including Capital-work-in progress of Rs.30 Lacs). The entire capital expenditure was funded out of internal accruals only.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Independent Directors of Company are not liable to retire by rotation. Mr. Mahendra J Patel, Whole-time Director & CFO is liable to retire by rotation at the ensuing AGM pursuant to 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.

Ms. Margie S Parikh has been appointed as an Independent Director of the Company at Twenty Seventh Annual General Meeting of the Company for an initial period of 3 (Three) years with effect from August 31, 2015 and this term expires on August 30, 2018. On the basis of recommendations of the Nomination and Remuneration Committee, the Board of Directors has decided to extend her term for two years more as permissible under the Act. This is subject to approval of the shareholders at the ensuing Annual General Meeting.

The terms of office of all three Executive Directors of the Company namely Mr. J J Chandra, Mr. Mahendra J Patel and Mr. Niraj J Chandra are expiring in coming months. Considering their performance, the Nomination and Remuneration Committee has recommended the Board to re-appoint them for further three years and also to revise the remuneration with performance of the Company. The Board has decided to do so with approval of the shareholders in ensuing Annual General Meeting

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 sub-section (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 five times during financial year 2017-18, 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.

## DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts for the financial year ended March 31, 2018, 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, 2018 and of the profit and loss 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, 2018.
- 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, 2018.

## 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, 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

At last Annual General Meeting, M/s. Kamlesh Rathod & Associates, Chartered Accountants (ICAI Firm Registration No. 117930W) have been appointed as Statutory Auditors of the Company from the conclusion of last annual general meeting until the conclusion of the Thirty Forth annual general meeting of the Company.

In accordance with the Companies Amendment Act, 2017, enforced on May 7, 2018 by the Ministry of Corporate Affairs, the appointment of Statutory Auditors is not required to be ratified at every Annual General Meeting.

M/s. Kamlesh Rathod & Associates, Chartered Accountants (ICAI Firm Registration No. 117930W) have confirmed their eligibility and qualification required under Section 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The Auditors' Report for the financial year ended March 31, 2018 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 Bunty Hudda (CP No. 11560) to undertake the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2018 is set out in Annexure [B] 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 2017-18.

### REPORTING OF FRAUDS BY AUDITORS

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee 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 developed a framework through Standard Operating Procedures for the purpose of identification and monitoring of such Related Party Transactions.

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 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 35 to the Standalone Financial Statements of the Company.

### EXTRACT OF THE ANNUAL RETURN

The details forming part of the extract of the Annual Return as on March 31, 2018 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out in Annexure [C] to this report.

### EMPLOYEE AND RELATED DISCLOSURES

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

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

Details of employee as per Rule 5(2)(iii) & 5(3) of 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.

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 [D].

### 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 [E] 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.

#### 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.

Any incidents that are reported are investigated and suitable action taken in line with the whistle blower policy. The Whistleblower Policy is also available on your Company's website.

#### 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, 2018 are annexed to this report as Annexure [F].

#### 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.

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.

#### 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, 2018 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, 2018, none of the Directors of the Company hold instruments convertible into equity shares of the Company.
- 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, hence disclosure 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

#### 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)  
May 19, 2018

## Annexure - A

**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, 2018 (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 Lac
6. Reserves & surplus	: Rs.0.82 Lac
7. Total assets	: Rs.0.82 Lac
8. Total Liabilities	: Nil
9. Investments	: Nil
10. Turnover	: Nil
11. Profit before taxation	: Rs.-0.18 Lac
12. Provision for taxation	: Nil
13. Profit after taxation	: Rs.-0.18 Lac
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, 2018
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 (net of provision for diminution in value of investment of Rs. 130.87 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.1,584.45 Lacs (As per audited balance sheet of KAFL prepared as per I-GAAP)
6. Profit/ Loss of the year	
(i) Considered in Consolidation	: Rs.170.36 lacs (Profit derived from financial statements of KAFL prepared in accordance with Ind AS for the purpose of Consolidation.)
(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 19, 2018

## Annexure - B

## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

[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, 2018, 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, 2018 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; (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, 1998 (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 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 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 19, 2018

## Annexure - C

**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on March 31, 2018**

[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. Unit-1, Luthra Ind. Premises, Safed Pool, Andheri-Kurla Road, Andheri (East), Mumbai, Maharashtra, INDIA 400072 Phone: 022 2851 5606/ 5644 E-Mail: info@sharexindia.com

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

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

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	95.25%

**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 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian	0	0	0	0	0	0	0	0	0.000
(a) Individual/ HUF	11563810	0	11563810	52.699	11563810	0	11563810	52.699	0.000
(b) Central Govt	0	0	0	0	0	0	0	0	0.000
(c) State Govt(s)	0	0	0	0	0	0	0	0	0.000
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0.000
(e) Banks/ FIs	0	0	0	0	0	0	0	0	0.000
(f) Any Other	0	0	0	0	0	0	0	0	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>
(2) Foreign									
(a) NRIs - Individuals	0	0	0	0	0	0	0	0	0.000
(b) Other Individuals	0	0	0	0	0	0	0	0	0.000
(c) Bodies Corp.	0	0	0	0	0	0	0	0	0.000
(d) Banks / Fis	0	0	0	0	0	0	0	0	0.000
(e) Any Other Specify	0	0	0	0	0	0	0	0	0.000
<b>Sub-total (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</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	2599751	0	2599751	11.848	3008625	0	3008625	13.711	1.863
(b) Banks / FI	1000	0	1000	0.005	25211	0	25211	0.115	0.110
(c) Central Govt.	0	0	0	0.000	0	0	0	0.000	0.000
(d) State Govt (s)	5996	0	5996	0.027	0	0	0	0.000	-0.027
(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	1189975	0	1189975	5.423	227617	0	227617	1.037	-4.386
(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	0	0	0	0.000	799426	0	799426	3.643	3.643
<b>Sub-total (B)(1)</b>	<b>3796722</b>	<b>0</b>	<b>3796722</b>	<b>17.303</b>	<b>4060879</b>	<b>0</b>	<b>4060879</b>	<b>18.506</b>	<b>1.203</b>
<b>2. Non-Institutions</b>									
<b>(a) Bodies Corp</b>									
(i) Indian	620084	180	620264	2.827	776005	0	776005	3.532	0.705
(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	3520095	154652	3674747	16.747	3504701	131492	3636193	16.571	-0.176
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	898505	0	898505	4.095	714271	0	714271	3.255	-0.840

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2017				No. of Shares held at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(c) Other (specify)</b>									
Non Resident Indians	549925	634628	1184553	5.398	603175	550628	1153803	5.258	-0.140
Overseas Corporate Bodies	0	1200	1200	0.005	0	0	0	0.000	-0.005
Foreign Nationals	0	0	0	0.000	951	0	951	0.004	0.004
Clearing Members	193274	0	193274	0.881	13530	0	13530	0.066	-0.815
Trusts	10125	0	10125	0.046	1250	0	1250	0.006	-0.040
Foreign Boodies - D R	0	0	0	0.000	0	0	0	0.000	0.000
NBFCs registered with RBI	0	0	0	0.000	250	0	250	0.001	0.001
IEPF	0	0	0	0.000	22258	0	22258	0.101	0.101
Sub-total (B)(2):-	5792008	790660	6582668	29.999	5636391	682120	6318511	28.794	-1.205
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9588730	790660	10379390	47.302	9697270	682120	10379390	47.300	-0.002
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.000	0	0	0	0.000	0.000
Grand Total (A+B+C)	21152540	790660	21943200	100.000	21261080	682120	21943200	100.000	0.000

#### 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	5.775	0	1267326	5.775	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	1.163	0	255300	1.163	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 2017-18

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

Sr. No	Name	Shareholding		Date of Debit/Credit	Increasing/Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017) / end of the Year (31.03.2018)	% of the Shares of the company				No. of shares	% of total Shares of the company
1	HDFC SMALL CAP FUND	260000	1.185	01-04-2017				
				22-12-2017	160000	Buy	420000	1.914
				05-01-2018	23600	Buy	443600	2.022
				12-01-2018	61693	Buy	505293	2.303
				19-01-2018	71000	Buy	576293	2.626
				26-01-2018	20500	Buy	596793	2.720
				09-02-2018	1800	Buy	598593	2.728
				16-02-2018	5963	Buy	604556	2.755
				23-02-2018	476700	Buy	1081256	4.928
				02-03-2018	68500	Buy	1149756	5.240
				16-03-2018	43379	Buy	1193135	5.437
				23-03-2018	22000	Buy	1215135	5.538
		1215135	5.538	31-03-2018			1215135	5.538
2	ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE SMALL AND MIDCAP FUND	0	0.000	01-04-2017				
				06-10-2017	300000	Buy	300000	1.367
				20-10-2017	175000	Buy	475000	2.165
				22-12-2017	16050	Buy	491050	2.238
				29-12-2017	8950	Buy	500000	2.279
				02-03-2018	9000	Buy	509000	2.320
				09-03-2018	29700	Buy	538700	2.455
				16-03-2018	51300	Buy	590000	2.689
				23-03-2018	11000	Buy	601000	2.739
		631100	2.876	31-03-2018	30100	Buy	631100	2.876

Sr. No	Name	Shareholding		Date of Debit/Credit	Increasing/Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017) / end of the Year (31.03.2018)	% of the Shares of the company				No. of shares	% of total Shares of the company
3	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	581386	2.650	01-04-2017				
		581386	2.650	31-03-2018		No Change	581386	2.650
4	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES I	0	0.000	01-04-2017				
				21-07-2017	159000	Buy	159000	0.725
				28-07-2017	2300	Buy	161300	0.735
				04-08-2017	118000	Buy	279300	1.273
				11-08-2017	27694	Buy	306994	1.399
				18-08-2017	1802	Buy	308796	1.407
				25-08-2017	15324	Buy	324120	1.477
				01-09-2017	6954	Buy	331074	1.509
				08-09-2017	10189	Buy	341263	1.555
				15-09-2017	50694	Buy	391957	1.786
				10-11-2017	35000	Buy	426957	1.946
		17-11-2017	46	Buy	427003	1.946		
		427003	1.946	31-03-2018			427003	1.946
5	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE DIVIDEND YIELD PLUS	260351	1.186	01-04-2017				
				09-02-2018	-4000	Sold	256351	1.168
		256351	1.168	31-03-2018			256351	1.168
6	KEDIA SECURITIES PRIVATE LIMITED	253451	1.155	01-04-2017				
		253451	1.155	31-03-2018		No Change	253451	1.155
7	ASHMORE INDIA OPPORTUNITIES FUND	0	0.000	01-04-2017				
				25-08-2017	27500	Buy	27500	0.125
				01-09-2017	18200	Buy	45700	0.208
				08-09-2017	13000	Buy	58700	0.268
				15-09-2017	30812	Buy	89512	0.408
				22-09-2017	14000	Buy	103512	0.472
				30-09-2017	11936	Buy	115448	0.526
				06-10-2017	49036	Buy	164484	0.750
				10-11-2017	33600	Buy	198084	0.903
				08-12-2017	2100	Buy	200184	0.912
				15-12-2017	16766	Buy	216950	0.989
		26-01-2018	12000	Buy	228950	1.043		
		02-02-2018	7491	Buy	236441	1.078		
		236441	1.078	31-03-2018			236441	1.078
8	DAYALAL GORDHANDAS PATEL	180969	0.825	01-04-2017				
		180969	0.825	31-03-2018		No Change	180969	0.825
9	EM RESURGENT FUND	204756	0.933	01-04-2017				
				23-03-2018	-66000	Sold	138756	0.632
		138756	0.632	31-03-2018			138756	0.632

Sr. No	Name	Shareholding		Date of Debit/Credit	Increasing/Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No. of Shares at the beginning (01.04.2017) / end of the Year (31.03.2018)	% of the Shares of the company				No. of shares	% of total Shares of the company
10	SUNDARAM ALTERNATIVE OPPORTUNITIES FUND - NANO CAP SERIES II	0	0.000	01-04-2017				
				21-07-2017	41000	Buy	41000	0.187
				28-07-2017	7000	Buy	48000	0.219
				04-08-2017	38000	Buy	86000	0.392
				11-08-2017	9544	Buy	95544	0.435
				25-08-2017	10324	Buy	105868	0.482
				01-09-2017	6757	Buy	112625	0.513
				08-09-2017	3065	Buy	115690	0.527
				15-09-2017	15000	Buy	130690	0.596
				10-11-2017	5000	Buy	135690	0.618
				17-11-2017	292	Buy	135982	0.620
		135982	0.620	31-03-2018			135982	0.620
11	GOLDMAN SACHS INDIA LIMITED	712699	3.248	01-04-2017				
				06-10-2017	-390000	Sold	322699	1.471
				13-10-2017	-322699	Sold	0	0.000
		0	0.000	31-03-2018			0	0.000
12	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C INDIA EXCEL (OFFSHORE) FUND	220992	1.007	01-04-2017				
				12-01-2018	143800	Buy	364792	1.662
				16-02-2018	-95000	Sold	269792	1.230
				23-02-2018	-269792	Sold	0	0.000
		0	0.000	31-03-2018			0	0.000
13	MIRAE ASSET EMERGING BLUECHIP FUND	298990	1.363	01-04-2017				
				02-06-2017	-35000	Sold	263990	1.203
				23-06-2017	-3839	Sold	260151	1.186
				30-06-2017	-5469	Sold	254682	1.161
				07-07-2017	-16863	Sold	237819	1.084
				14-07-2017	-4487	Sold	233332	1.063
				21-07-2017	-200000	Sold	33332	0.152
				04-08-2017	-33332	Sold	0	0.000
		0	0.000	31-03-2018			0	0.000
14	TATA TRUSTEE CO. LTD. A/C TATA MUTUAL FUND A/C TATA MID CAP GROWTH FUND	160000	0.729	01-04-2017				
				22-12-2017	-160000	Sold	0	0.000
		0	0.000	31-03-2018			0	0.000

## v) Shareholding of Directors and Key Managerial Personnel

Sr. No	Name	Shareholding		Date of Debit/ Credit	Increasing/ Decreasing in shareholding	Reason	Cumulative Shareholding during the year (01.04.2017 to 31.03.2018)	
		No.of Shares at the beginning (01.04.2017) / end of the Year (31.03.2018)	% of the Shares of the company				No.of shares	% of total Shares of the company
1	Jyantibhai J Chandra Chairman and Managing Director	1351742	6.16%	--	--	--	1351742	6.16%
2	Mahendra J Patel Whole-time Director & CFO	277848	1.27%	--	--	--	277848	1.27%
3	Niraj J Chandra Whole-time Director	105118	0.48%	--	--	--	105118	0.48%
4	Vijay K Kedia Non-Executive Director	0	0.00%	--	--	--	0	0.00%
5	Hakubhai Lalakiya Independent Director	0	0.00%	--	--	--	0	0.00%
6	Hasmukhbhai Adhvaryoo Independent Director	0	0.00%	--	--	--	0	0.00%
7	Hemantkumar Bhatt Independent Director	0	0.00%	--	--	--	0	0.00%
8	Margie S Parikh Independent Director	0	0.00%	--	--	--	0	0.00%
9	Paras J Viramgama Company Secretary & Compliance Officer	0	0.00%	--	--	--	0	0.00%

**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:**

Sr. 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	1,27,20,000	1,10,40,000	51,60,000	2,89,20,000
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income tax Act, 1961	0	0	0	0
2	Stock Option	NIL	NIL	NIL	NIL
3	Sweat Equity	NIL	NIL	NIL	NIL
4	Commission as % of profit others, specify...	0	0	0	0
5	Others, please specify	NIL	NIL	NIL	NIL
	Total (A)	1,27,20,000	1,10,40,000	51,60,000	2,89,20,000
	Ceiling as per the Act				7,23,03,452

(being 10% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013)

**B. Remuneration to other directors**

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Hakubhai Lalakiya	Hasmukh Adhvaryoo	Hemant Bhatt	Margie Parikh	
1	Independent Directors					
	• Fees for attending board committee meetings	1,34,500	1,34,500	1,10,500	1,22,000	5,01,500
	• Commission	0	0	0	0	0
	• Others, please specify: Fees for attending Meetings of Independent Directors	12,000	12,000	12,000	12,000	48,000
	Total (1)	1,46,500	1,46,500	1,22,500	1,34,000	5,49,500
2	Other Non-Executive Directors	Vijay K Kedia				
	• Fees for attending board committee meetings	37,500				37,500
	• Commission	0				0
	• Others, please specify	0				0
	Total (2)	37,500				37,500
	Total (B) = (1+2)					5,87,000
	Total Managerial Remuneration					2,95,07,000
	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)					7,95,33,797

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

Sr. 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	4,85,748
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 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	0
5.	Others, please specify	NIL
	Total	4,85,748

**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)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

NIL

## Annexure - D

**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 2017-18, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2017-18 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	70.78	2.17%
2	Mahendra J Patel	Whole-time Director & CFO	61.43	2.22%
3	Niraj J Chandra	Whole-time Director	28.71	2.18%
4	Vijay K Kedia	Non-Executive Director	0.21	15.38%
5	Hakubhai Lalakiya	Independent Director	0.82	14.01%
6	Hasmukhbhai Adhvaryoo	Independent Director	0.82	14.01%
7	Hemantkumar Bhatt	Independent Director	0.68	16.11%
8	Margie Parikh	Independent Director	0.75	29.47%
9	Paras J Viramgama	Company Secretary and Compliance Officer	2.70	11.00%

- (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.1,79,712 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 7.45% in the median remuneration of employees.

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

There were 868 permanent employees on the rolls of the Company as on March 31, 2018.

- (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. 2017-18 was 8.49% whereas there was an increase of 6.57% in the managerial remuneration during FY 2017-18 since all three executive directors have voluntarily denied taking any increase in remuneration during FY 2017-18.

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, 2018

[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 era 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.

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/upload/investor-relation/attachment/42/1446636533\\_atulauto\\_csr\\_policy.pdf](https://atulauto.co.in/upload/investor-relation/attachment/42/1446636533_atulauto_csr_policy.pdf)

2. The Composition of the CSR Committee:

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.61,89,61,126/- |
| 4. Prescribed CSR expenditure<br>(two percent of the amount mentioned in item 3 above) | : Rs.1,23,79,223/-  |
| 5. Details of CSR spent during the financial year                                      |                     |
| a. Total amount to be spent for the financial year 2017-18                             | : Rs.1,23,79,223/-  |
| b. Amount unspent, if any  | : Rs.61,10,425/-    |
| 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	Promoting education by providing educational materials, setting up of libraries, toy libraries, scholarships, coaching classes, computer hardware and software for smart classes, organizing workshops for enhancing skills etc	Promoting Education	Saurashtra Region, Gujarat	25,00,000	10,75,000	10,75,000	Through implementing agency
2	Construction/ Repairs/ Renovation of Building of Hospitals/ Clinics etc.	Promoting Health Care	Saurashtra Region, Gujarat	35,00,000	24,25,000	24,25,000	Through implementing agency
3	Prevention of diseases - Health Check-up, Health Awareness Camp, Distribution of Vaccine etc.	Promoting Preventive Healthcare	Saurashtra Region, Gujarat	15,00,000	7,02,000	7,02,000	Through implementing agency
4	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	35,00,000	15,65,798	15,65,798	Direct and Through implementing agency
5	Narsinh Mehta Award Ceremony and Others	Promotion of National Culture, Art	Saurashtra Region, Gujarat	10,00,000	4,01,000	4,01,000	Through implementing agency
6	Tree Plantation	Ensuring Environment Sustainability	Saurashtra Region, Gujarat	5,00,000	1,00,000	1,00,000	Through implementing agency
			Total	1,25,00,000	62,68,798	62,68,798	

\* Details of Implementing Agency: Atul Chandra Charitable Trust, Juvenile Diabetes Foundation, Rotary Pune Pride Foundation, Shree Sadguru Seva Sangh Trust, Shree Sadguru Parivar Trust, Aadhyakavi Narsinh Mehta Sahitya Nidhi, Shree Vidhyaguru Foundation, Hindi Samaj.

6. These CSR projects and programmes are of continuous nature and have lifecycle of more than three to five years. Your Company has taken steps in the right direction and it is committed to get actively engaged with the partners/ NGOs to execute the said projects and programmes and incur expenditure in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

7. A responsibility statement of the CSR Committee:

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

(J J Chandra)  
Chairman and Managing Director  
Chairman, CSR Committee

## 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 from 107.61 units to 106.33 units.

Particulars	2017-18	2016-17
Electricity purchased		
Units	45,35,720	41,94,800
Amount (Rs.)	3,58,18,798	3,47,18,206
Production in no.	42,660	38,981
Unit consumed per unit of production	106.33	107.61

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 2017-18. The figures of the same are as under:

Particulars	2017-18	2016-17
Revenue expenditure	583.37	271.04
Capital expenditure	Nil	Nil
Total	583.37	271.04

(Rs. in Lacs)

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

### 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, 7.11% of our revenues were derived from export. The Company is taking further steps to widen its international marketing network.

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

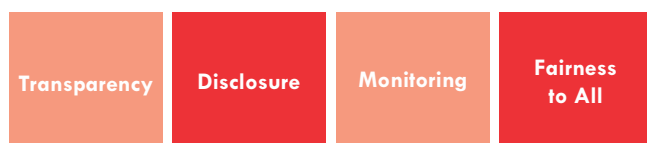
Particulars	2017-18
Earning	3848
Expenditure	1037
Net Foreign Exchange Earning (NFE)	2811
NFE/Earning (%)	73.05%

(Rs. in Lacs)

# REPORT ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY

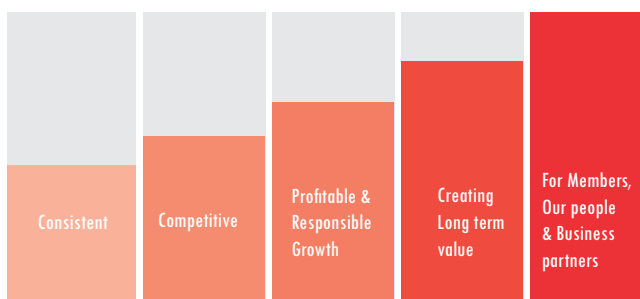
At Atul Auto, Good corporate governance is essential to achieve long term corporate goals and enhance stakeholders' value. The Company firmly takes Corporate Governance as a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the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



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



We believe that the success requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. The below principles have been the guiding force for whatever we do and shall continue to be so in the years to come



A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given herein below:

## KOTAK COMMITTEE ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India ('SEBI') accepted some of the recommendations with or without modifications on March 28, 2018 of the Kotak Committee on Corporate Governance and consequently, on May 9, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Your Company welcomes this progressive step of SEBI and has already been in compliance with many of the recommendations made by the Kotak Committee as part of its Corporate Governance framework. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

## RIGHTS OF SHAREHOLDERS

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

## ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

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

## DISCLOSURE AND TRANSPERANCY

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

## BOARD OF DIRECTORS

The 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 half of the Board of the Company comprising Independent Directors. As on date of this Report, the Board consists of eight Directors comprising three Executive Directors including Chairman, one Non-Executive Director and four Independent Directors including One Woman Director. All three Executive Directors are Promoters/ Promoter Group Member. 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, as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. There is no Nominee or Shareholders' Director on the Board 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. In addition, the Independent Directors provide an annual confirmation that they meet the criteria of independence as defined under Section 149(6) on an annual basis of the Companies Act, 2013.

## COMPOSITION AND DIRECTORSHIP(S)/COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) AS ON MARCH 31, 2018

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 are provided herein below:

Name of Director	Date of Joining the Board	No. of shares held in the Company	Directorship in other Companies*	Membership on Committees in other Companies <sup>#</sup>	Chairmanship on Committees in other Companies <sup>#</sup>	Inter-Se Relations
<b>Executive Directors</b>						
Jayantibhai J Chandra Chairman & Managing Director	18.06.1986	13,51,742	--	--	--	Father of Mr. Niraj J Chandra
Mahendra J Patel Whole-time Director & CFO	31.11.1994	2,77,848	--	--	--	--
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>						
Vijay K Kedia	31.01.2009	--	2	1	--	--
<b>Independent Directors</b>						
Hakubhai Lalakiya	31.05.2006	--	--	--	--	--
Hasmukhbhai Adhvaryoo	27.12.2012	--	--	--	--	--
Hemantkumar Bhatt	27.12.2012	--	1	2	--	--
Margie S Parikh	19.01.2015	--	--	--	--	--

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

<sup>#</sup>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 on the recommendations of the Nomination and Remuneration Committee and approval of the Members at the General Meetings. All Directors, except the Managing Director and 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. Mahendra J Patel is liable to retire by rotation. Being eligible, he offers himself for reappointment. This has been put up as one of the agenda items in the Notice of ensuing Annual General Meeting for the voting by shareholders.

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations. The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013. Ms. Margie S Parikh has been appointed as Independent Director of the Company at Twenty Seventh Annual General Meeting of the Company for an initial period of 3 (Three) years with effect from August 31, 2015 and this term expires on August 30, 2018. On the basis of recommendations of the Nomination and Remuneration Committee, the Board of Directors has decided to extend her term for two years more as permissible under the Act. This is subject to approval of the shareholders at the ensuing Annual General Meeting.

The terms of office of all three Executive Directors of the Company namely Mr. J J Chandra, Mr. Mahendra J Patel and Mr. Niraj J Chandra are expiring in coming months. Considering their performance, the Nomination and Remuneration Committee has recommended the Board to re-appoint them for further three years and also to revise the remuneration with performance of the Company. The Board has decided to do so with approval of the shareholders in ensuing Annual General Meeting.

The brief profile of all Directors whose reappointment is sought in ensuing Annual General Meeting is annexed to the Notice.

## BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. Based on the confirmation / declarations received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Mr. Vijay Kedia are Independent.

## BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on Company / Business policy and strategy apart from other Board business. 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 Meeting.

Five Board Meetings were held during the year, as against the minimum requirement of four meetings. The details of Board meetings held are given below:

Date of Meeting	Strength of Board	No. of Directors Present
May 13, 2017	8	8
August 12, 2017	8	5
December 02, 2017	8	7
February 10, 2018	8	7
March 12, 2018	8	7

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 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 minutes 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, 2018, the Independent Directors met two times on May 12, 2017 and February 10, 2018. All Independent Directors were present in both the meetings. 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 and Mr. J V Adhia, President – Finance. 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/upload/investor-relation/attachment/53/1425983604\\_atulauto\\_id-familiarization-programme.pdf](https://atulauto.co.in/upload/investor-relation/attachment/53/1425983604_atulauto_id-familiarization-programme.pdf)

### BOARD EVALUATION

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the 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/upload/investor-relation/attachment/47/1431604614\\_performance-evaluation-policy\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/47/1431604614_performance-evaluation-policy_atulauto.pdf)

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2017-18. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. 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, President - Finance and President - Marketing. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise.

The Board of Directors at its meeting held on February 10, 2018, 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.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings. The evaluation exercise

also suggested that the Board succession planning exercise has been embedded well in the Board processes.

### 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 / 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 Committees can request special invitees to join the meeting, as appropriate.

The Board has established the following statutory Committees:

#### AUDIT COMMITTEE

The Audit Committee comprise of Mr. Hemantkumar Bhatt, Independent Director as Chairman, Mr. Hakubhai Lalakiya, and Dr. Margie S Parikh, Independent Directors as Members of the Committee. 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 and Internal Auditor, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor 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/upload/investor-relation/attachment/46/1432028167\\_charter-of-audit-committee\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/46/1432028167_charter-of-audit-committee_atulauto.pdf). 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.

The Audit Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprise of Mr. Hasmukhbhai Adhvaryoo, Independent Director as Chairman, Mr. Hakubhai Lalakiya and Ms. Margie Parikh, Independent Director as Members.

The composition, powers, role and terms of reference of the Nomination and Remuneration Committee are as per the SEBI (LODR) 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 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/upload/investor-relation/attachment/45/1434014756\\_nomination-and-remuneration-policy\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/45/1434014756_nomination-and-remuneration-policy_atulauto.pdf). The details of remuneration paid to all Directors during FY 2017-18 are provided in extract of Annual

Return in this report.

The Board of Directors are 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/upload/investor-relation/attachment/51/1431596849\\_policy-on-board-nomination\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/51/1431596849_policy-on-board-nomination_atulauto.pdf). 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.

The Nomination and Remuneration Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

#### **STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee comprise of Ms. Margie Parikh, Independent Director as the Chairperson and Mr. Hasmukhbhai Adhvaryoo and Mr. Hemantkumar Bhatt, as members of the Committee.

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 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, 2018, two complaints were received from the shareholders and resolved during the year. Hence, none of them were pending as on March 31, 2018.

The Stakeholders' Relationship Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility (CSR) Committee comprise of Mr. Jayantibhai J Chandra, Chairman and Managing Director as the Chairman of the Committee and Mr. Hakubhai Lalakiya and Mr. Hasmukhbhai Adhvaryoo as members of the Committee. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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.

The Corporate Social Responsibility Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

#### ATTENDANCE OF DIRECTORS/ MEMBERS AT BOARD AND COMMITTEE MEETING(S)

The following table shows attendance of Directors at the Board and Members of the statutory Committee Meeting(s) for the year ended March 31, 2018. Attendance is presented as number of meeting(s) attended out of the number of meeting(s) required to be attended.

Name of Director/ Member	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	Last AGM Attended (Y/N)
Meeting held	5	4	4	4	4	
Jayantibhai Chandra	4	NA	NA	NA	3	Y
Mahendra Patel	5	4	NA	NA	NA	Y
Niraj Chandra	3	NA	NA	NA	NA	Y
Vijay Kedia	3	NA	NA	NA	NA	N
Hakubhai Lalakiya	5	4	4	NA	4	Y
Hasmukhbhai Adhvaryoo	5	NA	4	4	4	Y
Hemantkumar Bhatt	5	4	NA	4	NA	Y
Margie Parikh	4	4	4	4	NA	Y

#### COMPANY POLICIES

##### VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (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](mailto:whistleblowing@atulauto.co.in) for reporting such concerns. Alternatively, employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Company Secretary and CFO have been made responsible for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower Policy of the Company, are reported to the Management Committee and are subject to the review of the Audit Committee.

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.

#### GOVERNANCE OF SUBSIDIARY COMPANY

From this year onwards, the Board of Directors of the Company becomes 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 20% of the consolidated net worth or income of 20% of the consolidated income of your Company.

The Whistle Blower Policy is available on the website of the Company [https://atulauto.co.in/upload/investor-relation/attachment/39/1431604515\\_atulauto\\_whistleblowerpolicy\\_vigilmechanis.pdf](https://atulauto.co.in/upload/investor-relation/attachment/39/1431604515_atulauto_whistleblowerpolicy_vigilmechanis.pdf)

#### 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, 2018. 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/upload/investor-relation/attachment/49/1431596911\\_code-of-conduct-for-board-members-and-senior-management-personnel\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/49/1431596911_code-of-conduct-for-board-members-and-senior-management-personnel_atulauto.pdf)

## 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/upload/investor-relation/attachment/38/1432029015\\_policy-on-related-party-transaction\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/38/1432029015_policy-on-related-party-transaction_atulauto.pdf)

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 instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to prohibit insider trading activity and has framed a Code of practices and procedures for fair disclosure of unpublished price sensitive information. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the Members at large. This can be accessed [https://atulauto.co.in/upload/investor-relation/attachment/43/1434169929\\_code-of-practice-and-procedures-for-fair-disclosure-of-upsi\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/43/1434169929_code-of-practice-and-procedures-for-fair-disclosure-of-upsi_atulauto.pdf)

The Board of the Company has adopted a Code of Conduct to regulate, monitor and reporting of Trading in Company's Securities by Insiders in terms of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The details of dealing in Company's shares by Specified Employees (which include Members of the Management Committee and Directors) are placed before the Board for information on quarterly basis. The Code also prescribes sanction framework and any instance of breach of Code is dealt with in accordance with the same. A copy of this is made available to all employees of the Company and compliance of the same is ensured. It is available on the website of the Company at [https://atulauto.co.in/upload/investor-relation/attachment/44/1434169883\\_code-of-conduct-for-prohibition-of-insider-trading\\_atulauto.pdf](https://atulauto.co.in/upload/investor-relation/attachment/44/1434169883_code-of-conduct-for-prohibition-of-insider-trading_atulauto.pdf)

## 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>

## 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.

### DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

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.

### 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 2017-18 signed by Mr. J J Chandra, Chairman & Managing Director and Mr. Mahendra J Patel, Whole-time Director & CFO, was placed before the Board of Directors of the Company at its meeting held on May 19, 2018.

### 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 Obligations 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
2014-15	August 31, 2015 11:00 am	Registered Office	Increase in remuneration of Mr. J J Chandra, Chairman and Managing Director Increase in remuneration of Mr. M J Patel, Whole-time Director & CFO Reappointment of Mr. Niraj J Chandra, Whole-time Director with increase in remuneration Adoption of new Article of Association in substitution of existing Article of Association
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

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

**ANNUAL GENERAL MEETING FOR FY 2017-18:**

Date	: Friday, September 28, 2018
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	: Saturday, September 22, 2018
To	: Friday, September 28, 2018

**DIVIDEND DETAILS**Interim Dividend @ Rs.2.75 for FY 2017-18

Declared by the Board of Directors	: Saturday, December 02, 2017
Paid on	: Monday, December 18, 2017

Final Dividend @ Rs.2.50 for FY 2017-18

Recommended by the Board of Directors	: Saturday, May 19, 2018
Subject to declaration in AGM on	: Friday, September 28, 2018
Paid by	: Friday, October 27, 2018

**FINANCIAL YEAR**

: From 1st April to 31st March

**LISTING DETAILS:**

(i) BSE Limited, Mumbai	BSE Scrip Code : 531795
(ii) National Stock Exchange of India Limited, Mumbai	NSE Scrip Symbol: ATULAUTO

**ISIN**

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

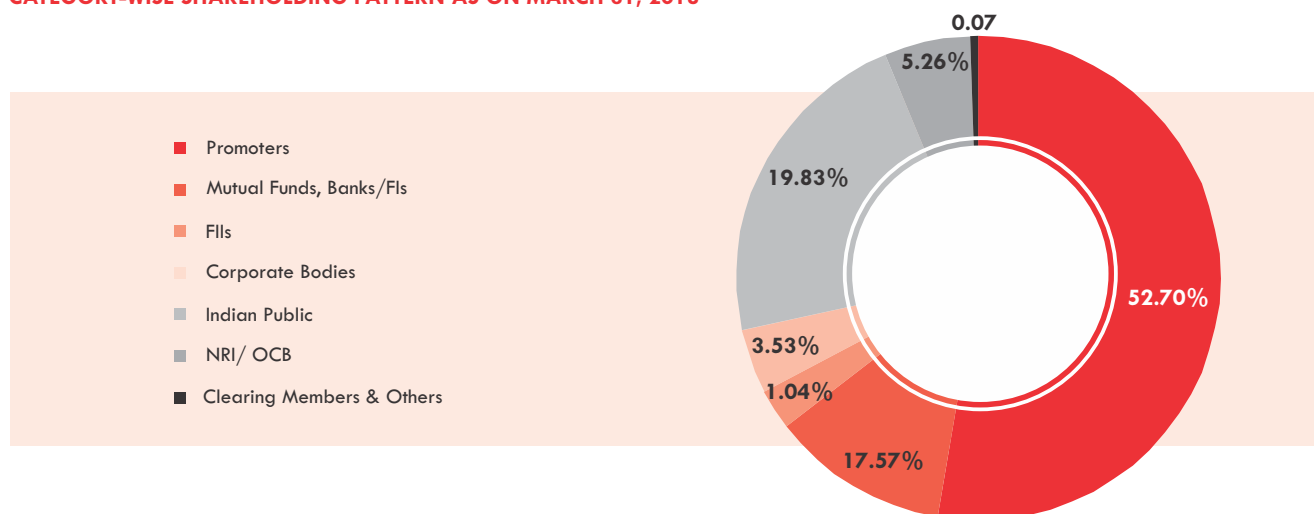
The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended March 31, 2018.

## DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on March 31, 2018 is as follows:

Shares of Nominal Value		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Amount	% of Amount
-	5000	20783	96.34%	11085220	10.10%
5001	10000	396	1.84%	2869220	2.62%
10001	20000	185	0.86%	2646760	2.41%
20001	30000	62	0.29%	1496760	1.36%
30001	40000	21	0.10%	758970	0.69%
40001	50000	19	0.09%	889885	0.81%
50001	100000	35	0.16%	2340725	2.13%
100001	ABOVE	72	0.33%	87628460	79.87%
		21573	100.00%	109716000	100.00%

## CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2018



## DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on March 31, 2018 are as under:

	No. of shares	% of shares
Physical Mode	6,82,120	3.11%
NSDL Holding	1,73,06,385	78.87%
CDSL Holding	39,54,695	18.02%
Total	21,943,200	100.00%

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

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

### UNCLAIMED DIVIDEND/SHARE CERTIFICATE

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules)

dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority. In accordance with

the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs.71,248/- of unpaid / unclaimed dividends and 22,258 shares were transferred during the financial year 2017-18 to the Investor Education and Protection Fund.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company: <https://atulauto.co.in/investors-services.aspx>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2018 (date of Last A G M) on the Company's website <https://atulauto.co.in/unclaimed-dividend.aspx>

**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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the designated officials 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 officials 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

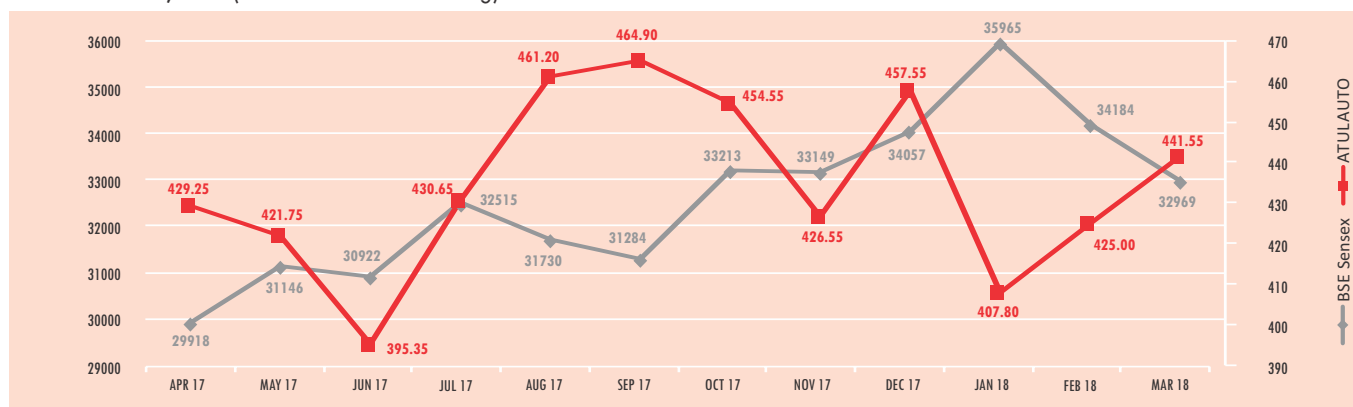
**MARKET PRICE DATA:**

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2018 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-17	475.00	426.20	69371	477.90	424.65	615779
May-17	453.90	402.45	117013	447.80	403.50	642208
Jun-17	436.00	389.85	61803	440.00	389.30	652274
Jul-17	442.00	399.00	281937	442.00	401.00	824968
Aug-17	477.35	395.10	173375	478.00	401.00	1054958
Sep-17	511.90	438.90	205554	512.00	439.00	1374535
Oct-17	485.50	453.90	293928	485.95	452.20	1472923
Nov-17	460.70	412.60	97234	461.70	416.00	689811
Dec-17	460.90	412.00	170111	460.00	411.00	864145
Jan-18	474.00	404.05	166922	476.00	408.80	1005488
Feb-18	438.00	392.00	142700	442.70	400.00	942727
Mar-18	452.95	414.45	50766	455.95	411.70	568311

**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, 2018 (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, Financial Express, Business Standard etc.

### Website and News Releases:

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

### Stock Exchange:

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

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

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

### BSE Corporate Compliance & Listing Centre:

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

### 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

Unit No. 1, Luthra Ind. Premises,  
1st Floor, 44-E, M Vasanti Marg,  
Safed Pool, Andheri-Kurla Road,  
Andheri (East), Mumbai-400072

Phone : 022-2851 5606/5644

E-Mail : [info@sharexindia.com](mailto:info@sharexindia.com), [sharexindia@vsnl.com](mailto:sharexindia@vsnl.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, 2018**

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, 2018.

Shapar (Dist. Rajkot)  
May 19, 2018

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, 2018 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 19, 2018

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

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

**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 August 12, 2017.
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, 2018, 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, 2018.
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. 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.
9. 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

Shapar (Dist. Rajkot)  
May 19, 2018



# INDEPENDENT AUDITORS' REPORT

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

To the Members of ATUL AUTO LTD

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

We have audited the accompanying Standalone (Ind AS) financial statements of ATUL AUTO LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss including Other Comprehensive Income and Cash Flow Statement and the statement of change in Equity for the year ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Ind AS 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 including other comprehensive income, statement of cash flows and change 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, 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of standalone Ind AS financial statement in accordance with the Standards on Auditing specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial

statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

### Opinion

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

- in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;
- in the case of the Statement of Profit and Loss, of the profit (including its other comprehensive income) for the year ended on that date and
- in the case of statement of Cash Flow, the cash flows for the year ended on that date.
- in the case of the statement of Change in equity, the change in equity for the year ended on that date.

### Other matter

The financial information of the Company for the year ended March 31, 2017 and the transition date opening Balance Sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by predecessor auditor, on which they expressed an unmodified opinion dated May 13, 2017 and May 30, 2016 respectively. The adjustments to those financial

statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated May 19, 2018.

Our opinion is not qualified in respect of this matter.

#### 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, 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 appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss including other comprehensive income and Cash Flow Statement and changes in equity dealt with by this Report are in agreement with the books of account.
- d. in our opinion, the aforesaid standalone Ind AS Financial Statement comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and

g. 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 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 & Associatess

Chartered Accountants  
Firm Registration No.117930W

#### Kamlesh Rathod

Partner  
Membership No.101046

Signed at Shapar (Dist. Rajkot) on May 19, 2018

## 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 March 31, 2018]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property plant and equipment.
- (b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, 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) As informed, 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.
- (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) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, service tax, customs duty, excise duty, goods and service tax, cess and other material statutory dues applicable to it.
- (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	20.04	2007-08	Income Tax Appellate Tribunal	Department
		41.82	2008-09		Department
		21.58	2009-10		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 Central Excise Act, 1944	Excise Duty	16.82	2006-07 & 2007-08	CESTAT	Department
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 considered as contingent liabilities.)

- (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 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 Note 35 of the standalone Financial Statements as required under Ind AS – 24 Related party Disclosure specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- (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) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For Kamlesh Rathod & Associates**

Chartered Accountants

Firm Registration No.117930W

**Kamlesh Rathod**

Partner

Membership No.101046

Signed at Shapar (Dist. Rajkot) on May 19, 2018

## ANNEXURE B TO THE AUDITORS' REPORT

### 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')

We have audited the internal financial control over financial reporting of ATUL AUTO LTD ('the company') as of March 31, 2018 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 Company's management 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 March 31, 2018 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.

#### For Kamlesh Rathod & Associates

Chartered Accountants  
Firm Registration No.117930W

#### Kamlesh Rathod

Partner  
Membership No.101046

Signed at Shapar (Dist. Rajkot) on May 19, 2018

**BALANCE SHEET** as at March 31, 2018

(Rs. in Lacs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	2	8,602.67	8,617.92	8,423.15
(b) Capital work-in-progress	2	526.18	315.79	286.20
(c) Investment Property	3	52.30	96.91	-
(d) Intangible Assets	4	-	-	36.98
(e) Financial Assets				
(i) Investments	5	1,322.13	781.16	98.76
(ii) Other Financial Assets	6	8.65	6.26	-
(f) Income Tax Assets (Net)		87.83	84.69	98.51
(g) Other non-current assets	7	278.48	214.09	282.42
<b>Current Assets</b>				
(a) Inventories	8	4,603.49	3,623.37	3,472.31
(b) Financial Assets				
(i) Investments	5	4,533.83	1,588.82	-
(ii) Trade Receivables	9	7,821.53	4,718.71	7,595.85
(iii) Cash and cash equivalents	10	1,647.83	4,079.31	1,250.27
(iv) Other Bank Balances	11	138.37	173.46	121.90
(v) Loans	12	7.53	5.36	11.68
(vi) Other Financial Assets	6	66.62	18.04	13.02
(c) Other current assets	7	232.78	206.78	420.50
<b>Total Assets</b>		<b>29,930.23</b>	<b>24,530.66</b>	<b>22,111.55</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital	13	1,097.16	1,097.16	1,097.16
(b) Other Equity	14	20,841.84	17,327.45	14,997.88
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(a) Provisions	15	14.84	117.97	50.62
(b) Deferred tax liabilities (Net)	16	533.39	516.94	483.83
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables				
(a) Total outstanding dues of micro enterprises and small enterprises		1,586.17	1,284.43	1,292.72
(b) Total outstanding dues other than micro enterprises and small enterprises		3,353.60	2,311.84	2,307.03
(ii) Other Financial Liabilities	17	1,190.91	883.31	958.74
(b) Other current liabilities	18	978.17	744.68	432.91
(c) Provisions	15	334.15	246.88	401.76
(d) Current Tax Liability		-	-	88.91
<b>Total Equity and Liabilities</b>		<b>29,930.23</b>	<b>24,530.66</b>	<b>22,111.55</b>

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 19, 2018**For and on behalf of Board of Directors of  
Atul Auto Limited****J J Chandra**Chairman and Managing Director  
DIN : 00057722**M J Patel**Whole time Director & CFO  
DIN : 00057735**Paras J Viramgama**

Company Secretary

**STATEMENT OF PROFIT & LOSS** for the year ended March 31, 2018

(Rs. in Lacs)

Sr. No.	Particulars	Note No.	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>I</b>	<b>INCOME FROM OPERATIONS</b>			
a	Gross Sales	19	56,457.20	52,878.64
b	Other Operating Income	19	476.07	312.79
	Total Revenue from Operation		56,933.27	53,191.43
II	Other Income	20	256.86	246.46
<b>III</b>	<b>TOTAL INCOME (I + II)</b>		<b>57,190.13</b>	<b>53,437.89</b>
IV	EXPENSES			
a	Cost of materials consumed		40,219.55	34,615.49
b	Purchase of Stock in trade		-	39.17
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade	21	200.92	-86.16
d	Excise Duty		1,335.38	5,658.75
e	Employee benefits expenses	22	4,012.80	3,921.09
f	Finance Costs	23	42.16	57.97
g	Depreciation and amortisation expenses	24	526.21	528.41
h	Other expenses	25	3,909.96	3,093.37
	<b>TOTAL EXPENSES</b>		<b>50,246.98</b>	<b>47,828.09</b>
V	Profit before exceptional items		6,943.15	5,609.80
VI	Exceptional items		-	-
<b>VII</b>	<b>Profit Before tax (V - VI)</b>		<b>6,943.15</b>	<b>5,609.80</b>
<b>VIII</b>	<b>Tax expenses</b>		<b>2,324.12</b>	<b>1,905.07</b>
a	Current Tax	26	2,316.55	1,878.03
b	Deferred Tax	26	7.58	27.04
<b>IX</b>	<b>Profit for the period</b>		<b>4,619.02</b>	<b>3,704.73</b>
<b>X</b>	<b>Other Comprehensive Income, Net of Tax</b>		<b>17.89</b>	<b>11.46</b>
a	Items that will not be reclassified to profit or loss		17.89	11.46
b	Items that will be reclassified to profit or loss		-	-
<b>XI</b>	<b>Total Comprehensive Income for the Period (IX + X)</b>		<b>4,636.92</b>	<b>3,716.19</b>
XII	Paid-up equity share capital (Face Value of Rs.5/-)	No Amount	21,943,200 1,097.16	21,943,200 1,097.16
<b>XIII</b>	<b>Earning Per Share Basic &amp; Diluted</b>	27	<b>21.05</b>	<b>16.88</b>

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 19, 2018**For and on behalf of Board of Directors of  
Atul Auto Limited****J J Chandra**Chairman and Managing Director  
DIN : 00057722**M J Patel**Whole time Director & CFO  
DIN : 00057735**Paras J Viramgama**

Company Secretary

## STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2018

(Rs. in Lacs)

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

Balance as at April 01, 2016	Change in equity share capital during the year	Balance as at March 31, 2017
1097.16	--	1097.16
Balance as at March 31, 2017	Change in equity share capital during the year	Balance as at March 31, 2018
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 April 01, 2016</b>	14	<b>30.00</b>	<b>477.92</b>	<b>1,721.07</b>	<b>23.29</b>	<b>12,745.60</b>	<b>14,997.88</b>
Profit for the year		-	-	-	-	3,704.73	3,704.73
Other comprehensive income (net of tax)		-	-	-	-	11.46	11.46
Total comprehensive income for the year ended March 31, 2017		-	-	-	-	3,716.19	3,716.19
<b>Transaction with owners in their capacity as owners</b>							
Transfer from retained earnings to General Reserve		-	-	373.20	-	-373.20	-
Final Dividend		-	-	-	-	-548.58	-548.58
Tax on Final Dividend		-	-	-	-	-111.68	-111.68
Interim Dividend		-	-	-	-	-603.51	-603.51
Tax on Interim Dividend		-	-	-	-	-122.86	-122.86
<b>Balance as at March 31, 2017</b>		<b>30.00</b>	<b>477.92</b>	<b>2,094.28</b>	<b>23.29</b>	<b>14,701.96</b>	<b>17,327.45</b>
Profit for the year		-	-	-	-	4,619.02	4,619.02
Other comprehensive income (net of tax)		-	-	-	-	17.89	17.89
Total comprehensive income for the year ended March 31, 2018		-	-	-	-	4,636.92	4,636.92
<b>Transaction with owners in their capacity as owners</b>							
Final Dividend		-	-	-	-	-329.15	-329.15
Tax on Final Dividend		-	-	-	-	-67.01	-67.01
Interim Dividend		-	-	-	-	-603.51	-603.51
Tax on Interim Dividend		-	-	-	-	-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>18,216.36</b>	<b>20,841.84</b>

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 19, 2018

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

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

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

**Paras J Viramgama**  
Company Secretary



**STATEMENT OF CASH FLOW for the year ended March 31, 2018**

(Rs. in Lacs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A.</b>	<b>Cash flow from operating activities</b>		
	<b>Net profit before taxation</b>	6,943.15	5,609.80
	Adjustment for:		
	Add:		
	Provision for doubtful debts	52.75	19.08
	Depreciation & Impairment	526.21	528.41
	Loss/(Profit) on sale of fixed assets	2.00	-4.42
	<b>Sub Total</b>	<b>580.96</b>	<b>543.07</b>
	Less:		
	Profit on redemption/Revaluation of Mutual Fund	-202.49	-218.68
	Interest received on Fixed Deposits	-7.81	-8.29
	Profit on Sale of Investment	-0.03	-
	Unrealised Foreign Exchange Gain	-6.43	-15.13
	<b>Sub Total</b>	<b>-216.77</b>	<b>-242.10</b>
	<b>Operating Profit before working capital changes</b>	<b>7,307.34</b>	<b>5,910.77</b>
	<u>Movements in working capital:</u>		
	Decrease/-Increase in Trade Receivable	-3,148.74	2,864.61
	Decrease/-Increase in Inventories	-980.13	-151.06
	Decrease/-Increase in Loans and other Assets	-143.54	277.11
	Increase/-Decrease in Trade Payables	1,343.49	-3.48
	Increase/-Decrease in Liabilities/provisions	551.99	166.35
	Total Movement in Working Capital	-2,376.92	3,153.53
	Cash generated from operations	4,930.42	9,064.30
	Direct taxes paid (net of refunds)	-2,319.69	-1,953.12
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,610.73</b>	<b>7,111.18</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	-684.99	-821.23
	Proceeds from sale of fixed assets	6.26	12.95
	Proceeds from sale of Investment	0.07	-
	Purchase of Mutual Fund	-57,120.00	-47,088.50
	Proceeds from sale of Mutual Fund	54,377.48	45,718.36
	Investment in Subsidiary Company	-1.00	-
	(Increase)/decrease in Other Bank Balance	35.09	-51.56
	Investment in Associate Company	-540.00	-682.40
	Interest received on Fixed Deposits	7.81	8.29
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-3,919.28</b>	<b>-2,904.09</b>
<b>C.</b>	<b>Cash flow form financing activities</b>		
	Dividend paid	-932.66	-1,152.09
	Tax on dividend paid	-189.87	-234.54
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-1,122.52</b>	<b>-1,386.63</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-2,431.08</b>	<b>2,820.46</b>

**STATEMENT OF CASH FLOW for the year ended March 31, 2018 (Contd.)**

(Rs. in Lacs)

Particulars	For the year	For the year
	ended	ended
	March 31, 2018	March 31, 2017
Effect of change in cash or cash equivalent held in foreign currency due to exchange rate fluctuation	-0.40	8.58
Cash and cash equivalents at the beginning of the year	4,079.31	1,250.27
Cash and cash equivalents at the end of the year	1,647.83	4,079.31
<b>Components of cash and cash equivalents as at the end of the year</b>		
Cash on hand	1.15	11.78
Cheques on Hand	0.01	1.02
With bank		
- In current account	1,646.67	4,066.51
<b>Total</b>	<b>1,647.83</b>	<b>4,079.31</b>

**Notes:**

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

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 19, 2018**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, 2018

### Background

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

### 1. FIRST TIME ADOPTION OF IND AS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES FOLLOWED BY THE COMPANY

#### 1.1 Basis of preparation

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [the Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 1.2 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

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.

#### 1.2 First-time adoption of Ind AS Transition to Ind AS

These are the Company's first standalone financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1.3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

#### 1.2.1 Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material or significant by the Company.

##### Ind AS optional exemptions

- (i) Deemed cost for Investment in Associate

Ind AS 101 provides a one time option to a first-time adopter either to measure its investment in Associate as per previous GAAP carrying value or at fair value on the date of transition. The Company has elected to measure its investment in Associate as per previous GAAP carrying value.

##### Ind AS mandatory exceptions

- (i) Estimates

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 01, 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following item in accordance with Ind AS at the date of transition as this was not required under previous GAAP :-

- Investment in mutual funds carried at Fair value through profit or loss.
- Provision for expected credit loss on risk sharing arrangement.

- (ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS and apply requirements in Ind AS 109 prospectively for transactions occurring on after the date of transition to Ind ASs.

- (iii) Fair valuation of Government grant/loan

Ind AS 101 requires that a first-time adopter shall classify all Government loans received as a financial liability or an equity instrument in accordance with Ind AS 32. Except as permitted by paragraph B11, a first-time adopter shall apply the requirements of Ind AS 109 and Ind AS 20, prospectively to Government loans existing at the date of transition to Ind AS and shall not recognise the corresponding benefit of the Government loan at a below-market rate of interest as a Government grant. Consequently, if a first-time adopter did not, under its previous GAAP, recognise and measure a Government loan at a below-market rate of

interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind ASs as the carrying amount of the loan in the opening Ind AS Balance Sheet.

In line with above mandatory exception, Company has continued previous GAAP value for Central Government Capital Subsidy in the opening Ind AS Balance Sheet.

## 1.2.2 Reconciliations between previous GAAP and Ind AS

### Impact of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2017

- There are no material adjustments of transition to the Statement of Cash Flows to conform to Ind AS presentation for the year ended March 31, 2017.
- Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

### Reconciliation of Equity as on March 31, 2017 & as at date of Transition

(Rs. in Lacs)

Particulars	Note to first time Adoption	As at March 31, 2017			As at April 01, 2016		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, Plant and Equipment	2	8,714.83	-96.91	8,617.92	8,460.13	-36.98	8,423.15
(b) Capital work-in-progress		315.79	-	315.79	286.20	-	286.20
(c) Investment Property	2	-	96.91	96.91	-	-	-
(d) Goodwill		-	-	-	-	-	-
(e) Other Intangible Assets		-	-	-	-	36.98	36.98
(f) Intangible assets under development		-	-	-	-	-	-
(g) Biological Assets other than bearer plants		-	-	-	-	-	-
(h) Financial Assets							
(i) Investments		781.16	-	781.16	98.76	-	98.76
(ii) Other Financial Assets	1	-	6.26	6.26	-	-	-
(i) Income Tax Assets (Net)		-	84.69	84.69	-	98.51	98.51
(j) Other non-current assets		397.00	-182.91	214.09	470.61	-188.19	282.42
<b>(2) Current assets</b>							
(a) Inventories		3,623.37	-	3,623.37	3,472.31	-	3,472.31
(b) Financial Assets							
(i) Investments	1	-	1,588.82	1,588.82	-	-	-
(ii) Trade Receivables	8	4,776.52	-57.81	4,718.71	7,634.58	-38.73	7,595.85
(iii) Cash and cash equivalents	1	5,710.25	-1,630.94	4,079.31	1,282.50	-32.23	1,250.27
(iv) other Bank Balances		-	173.46	173.46	-	121.90	121.90
(v) Loans		-	5.36	5.36	-	11.68	11.68
(vi) Others Financial Assets		-	18.04	18.04	-	13.02	13.02
(c) Other current assets		230.18	-23.40	206.78	445.19	-24.69	420.50
<b>Total Assets</b>		<b>24,549.10</b>	<b>-18.44</b>	<b>24,530.66</b>	<b>22,150.27</b>	<b>-38.72</b>	<b>22,111.55</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		1,120.45	-23.29	1,097.16	1,120.45	-23.29	1,097.16
(b) Other Equity	3	16,949.16	378.28	17,327.45	14,339.65	658.23	14,997.88

## Reconciliation of Equity as on March 31, 2017 &amp; as at date of Transition (Contd.)

(Rs. in Lacs)

Particulars	Note to first time Adoption	As at March 31, 2017			As at April 01, 2016		
		As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	As per Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>LIABILITIES</b>							
<b>(1) Non-current liabilities</b>							
(a) Financial Liabilities							
(i) Borrowings		-	-	-	-	-	-
(ii) Trade Payables		-	-	-	-	-	-
(iii) Other financial liabilities		-	-	-	-	-	-
(b) Provisions		117.97	-	117.97	50.62	-	50.62
(c) Deferred tax liabilities (Net)	7	538.73	-21.79	516.94	497.24	-13.40	483.83
(d) Other non current liabilities		-	-	-	-	-	-
<b>(2) Current liabilities</b>							
(a) Financial Liabilities							
(i) Trade Payables		3,596.28	-	3,596.27	3,599.75	-	3,599.75
(ii) Other financial liabilities	6	-	883.31	883.31	-	958.74	958.74
(b) Other current liabilities	6	1,613.14	-868.46	744.68	1,391.64	-958.74	432.91
(c) Provisions	3	613.37	-366.50	246.88	1,150.93	-749.16	401.76
(d) Current Tax Liability		-	-	-	-	88.91	88.91
<b>Total Equity and Liabilities</b>		<b>24,549.10</b>	<b>-18.44</b>	<b>24,530.66</b>	<b>22,150.27</b>	<b>-38.72</b>	<b>22,111.55</b>

## Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(Rs. in Lacs)

Particulars	Note to First Time Adoption	As per Previous GAAP	Adjustments	As per IND AS
<b>INCOME FROM OPERATIONS</b>				
(a) Gross Sales		52,878.64	-	52,878.64
(b) Other Operating Income		312.79	-	312.79
<b>Total Revenue from Operation</b>		<b>53,191.43</b>		<b>53,191.43</b>
Other Income		251.60	-5.15	246.46
<b>TOTAL INCOME</b>		<b>53,443.03</b>	<b>5.15</b>	<b>53,437.89</b>
<b>EXPENSES</b>				
(a) Cost of materials consumed		34,615.49	-	34,615.49
(b) Purchase of Stock in trade		39.17	-	39.17
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-86.16	-	-86.16
(d) Excise Duty		5,658.75	-	5,658.75
(e) Employee benefits expenses	5	3,903.53	-17.56	3,921.09
(f) Finance Costs		57.97	-	57.97
(g) Depreciation and amortisation expenses		528.41	-	528.41
(h) Other expenses	8	3,074.32	-19.05	3,093.37
<b>TOTAL EXPENSES</b>		<b>47,791.48</b>	<b>-36.61</b>	<b>47,828.09</b>
<b>Profit before exceptional items</b>		<b>5,651.55</b>	<b>41.75</b>	<b>5,609.80</b>
Exceptional items		-	-	-
<b>Profit Before tax</b>		<b>5,651.55</b>	<b>41.75</b>	<b>5,609.80</b>
<b>Tax expenses</b>		<b>1,919.52</b>	<b>14.45</b>	<b>1,905.07</b>
(a) Current Tax		1,878.03	-	1,878.03
(b) Deferred tax	7	41.49	14.45	27.04
<b>Profit for the period</b>		<b>3,732.04</b>	<b>27.30</b>	<b>3,704.73</b>
Other Comprehensive Income, Net of Tax	5 & 9	-	-11.46	11.46
<b>Total Comprehensive Income for the Period</b>		<b>3,732.04</b>	<b>15.84</b>	<b>3,716.19</b>

**Reconciliation of Other Comprehensive Income as on March 31, 2017**

(Rs. in Lacs)

Particulars	Note to First-time Adoption	Amount
Net profit after tax as reported under previous GAAP		3,732.04
Less: Provision for expected credit loss in trade receivable	8	-24.23
Add: Deferred Tax on above adjustment		8.39
Less: Actuarial Gain/(Loss) on Gratuity transfer to other comprehensive Income	5	-17.52
Add: Deferred Tax on above adjustment Actuarial Gain/(Loss) on Gratuity		6.07
Profit for FY 16-17 as per Ind AS		3,704.73
Other Comprehensive Income	9	11.46
<b>Total comprehensive income as per Ind AS</b>		<b>3,716.19</b>

**Reconciliation of Total Equity as at March 31, 2017 and as at date of Transition**

(Rs. in Lacs)

Particulars	Note to first-time Adoption	March 31, 2017	April 01, 2016
Total equity (shareholder's funds) as reported under previous GAAP		18,069.61	15,460.10
Ind-AS adjustments increasing/(decreasing) equity as reported under previous GAAP:		-	-
Proposed Dividend	9	329.15	548.58
Tax on Proposed Dividend		67.01	111.68
Provision for expected credit in Trade Receivable	8	-62.96	-38.73
Deferred Tax on Provision for expected credit loss in trade Receivable		21.79	13.40
Total Adjustment		354.99	634.93
<b>Total equity as per Ind AS</b>		<b>18,424.60</b>	<b>16,095.03</b>

**1.3 Notes to first-time adoption****Note 1: Investments**

Under the previous GAAP, investments in mutual funds were classified as cash & cash Equivalent based on the intended holding period and realisability. Investments were carried at fair value. Under Ind AS, these investments are required to be measured at fair value and presented as current Investment, so there is no adjustment required for Investment in Mutual Fund.

**Note 2: Investment Property**

Under the previous GAAP, investment properties were presented as part of Fixed Assets. under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet. There is no impact on the total equity or profit as a result of this adjustment.

**Note 3: Proposed dividend and tax thereon**

Under the previous GAAP, dividends proposed by the Board of Directors after the Balance Sheet date but before the approval of the financial statements were considered as adjusting events. Accordingly, provision for proposed dividend and tax thereon was recognised as a liability. Under Ind AS, such dividends are recognised when the same is approved by the shareholders in the general meeting. Accordingly, the liability for proposed dividend and tax

thereon, included under provisions has been reversed with corresponding adjustment to retained earnings.

**Note 4: Excise duty**

Under the previous GAAP, revenue from sale of products was presented inclusive of excise duty. under Ind AS, revenue from sale of goods is presented inclusive of excise duty for the first quarter. The excise duty paid is presented on the face of the Statement of Profit and Loss as part of expenses. There is no impact on the total equity and profit.

**Note 5: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. under the previous GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year. There is no impact on the total equity.

**Note 6 : Unpaid Dividend & Expense Payable**

Under Indian GAAP these are presented as current liabilities but under Ind AS these are presented as other Financial liabilities so, there is no impact on the total equity and profit.

**Note 7 : Deferred Tax Liability**

Under Indian GAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings on the date of transition.

**Note 8 : Provision for expected credit loss**

Under Ind AS provision for expected credit loss on financial assets which measured at amortized cost is required to be made but there is no provision in Indian GAAP for this so, as per Ind AS 101 provision for ECL is recognized and corresponding effect is recognized in retained earning.

**Note 9 : Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans. The concept of other comprehensive income did not exist in Indian GAAP.

**1.4 Summary of significant accounting policies followed by the Company****1.4.1 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) Financial statements are prepared under the historical cost convention, except for certain financial assets that are measured at fair value.
- (iii) Estimates 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 on risk sharing arrangement
  - (e) Provision for after sales activities

**1.4.2 Revenue recognition**

- (A) sales
  - (i) Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of value added taxes, returns, discounts, after rolling out of Goods & Services tax in India Revenue is presented exclusive of tax. 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.
- (B) Export incentives
 

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.

**1.4.3 Property, plant and equipment and depreciation**

- (i) 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) Buildings acquired/constructed which is rented out by the company are categorised as investment property.

**Transition to Ind AS**

On Transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at April 01, 2016 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment.

- (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 are determined by the Management by internal technical assessments and such useful life is in conformity with Schedule - II of the 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).

#### 1.4.4 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 amortised 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 amortised over sixty months from the implementation of SAP.

##### Transition to Ind AS

On Transition to Ind AS, the Company has elected to continue with the carrying value of all of intangible assets recognised as at April 01, 2016 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 38 Intangible assets.

#### 1.4.5 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 the Companies act.

##### Transition to Ind AS

On Transition to Ind AS, the Company has elected to continue with the carrying value of investment property recognised as at April 01, 2016 which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 40 Investment Properties.

#### 1.4.6 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.

##### Transition to Ind AS

On Transition to Ind AS, the Company has elected to continue with the carrying value of investment property recognised as at April 01, 2016 which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 27 'Separate Financial Statements'

##### (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

##### (i) 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

Dividend are recognised 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 as either 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 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.

#### 1.4.7 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.

#### 1.4.8 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 weighted 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.

#### 1.4.9 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.

#### 1.4.10 Taxation

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.

#### 1.4.11 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.

#### 1.4.12 Operating lease including on investment properties

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 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.

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.

#### 1.4.13 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.

#### 1.4.14 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.

#### 1.4.15 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.

#### 1.4.16 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.

#### 1.4.17 Segment Reporting

The company is engaged mainly in the business of automobile products. These, in the context of Indian Accounting Standard 108 on Segment Reporting, as specified in the Companies (Indian Accounting Standards) Rules, 2015, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical segment.

**Note - 2 Property, Plant and Equipment****Current 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>-</b>	<b>526.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>526.18</b>

**Previous Year**

(Rs. in Lacs)

Particulars	Gross Block				Depreciation/Impairment				Net Block
	As at April 01, 2016	Additions	Deductions/ adjustments	As at March 31, 2017	As at April 01, 2016	Additions	Deductions/ adjustments	As at March 31, 2017	As at March 31, 2017
Land	3,855.95	52.54	-	3,908.49	-	-	-	-	3,908.49
Buildings	1,832.33	125.10	135.55	1,821.88	510.13	63.53	38.65	535.02	1,286.86
Plant & Machinery (Including Electric Fitting)	5,836.89	425.08	-	6,261.97	2,860.64	336.73	-	3,197.36	3,064.61
Furniture & Fittings	188.26	46.57	-	234.83	140.56	13.44	-	154.00	80.83
Computer	227.01	20.80	8.23	239.58	191.73	19.92	6.98	204.67	34.91
Office Equipment	121.36	8.74	-	130.10	93.63	13.73	-	107.36	22.74
Vehicles	332.71	112.80	26.89	418.61	174.67	44.08	19.62	199.13	219.49
<b>Total</b>	<b>12,394.51</b>	<b>791.63</b>	<b>170.68</b>	<b>13,015.47</b>	<b>3,971.36</b>	<b>491.43</b>	<b>65.24</b>	<b>4,397.55</b>	<b>8,617.92</b>
<b>Capital work in progress</b>	<b>286.20</b>	<b>29.59</b>	<b>-</b>	<b>315.79</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>315.79</b>

**Note :**

- 1 On transition to Ind AS, the company has elected to continue with the carrying value of its property, plant and equipments recognised as at April 01, 2016 measured as per previous GAAP, which in case of the company, corresponds with carrying costs measured in accordance with Ind AS - 16 property, plant and equipments. as on date of transition gross block and accumulated depreciation was Rs.12,394.51 Lacs. and Rs. 3,971.36 Lacs.
- 2 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. 44.61 Lacs. is transferred to Property Plant & Equipments.

**Note - 3 Investment Property**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<u>Gross carrying amount</u>			
Opening balance	135.55	-	-
Addition	-	135.55	
Transfer to Property Plant & Equipments	56.07	-	-
Closing balance	79.48	135.55	-
<u>Accumulated Depreciation</u>			
Opening balance	38.65	-	-
Addition	7.21	38.65	-
Transfer to Property Plant & Equipments	18.67	-	-
Closing balance	27.19	38.65	-
<b>Net carrying amount</b>	<b>52.30</b>	<b>96.91</b>	<b>-</b>

**Note :** Investment property has been carried at the cost less accumulated depreciation as at April 01, 2016, 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, 2018	March 31, 2017
Rental Income	17.00	12.00
Direct operating expenses from property that generated rental income	5.25	10.17
Direct operating expenses from property that did not generated rental income	-	-
Profit from Investment property before depreciation	11.75	1.83
Depreciation	4.93	6.27
Profit from Investment property	6.82	-4.44

**(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-31

**(iv) Fair Value**

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Investment property	182.80	284.35	-

**(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 and consequently classified as a level 2 valuation.

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

(Rs. in Lacs)

Particulars	Gross Block				Depreciation				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>

**Previous Year**

(Rs. in Lacs)

Particulars	Gross Block				Depreciation				Net Block
	As at April 01, 2016	Additions	Deductions/ adjustments	As at March 31, 2017	As at April 01, 2016	Additions	Deductions/ adjustments	As at March 31, 2017	As at March 31, 2017
Product Development	195.10	-	-	195.10	195.10	-	-	195.10	-
ERP System	126.92	-	-	126.92	89.94	36.98	-	126.92	-
<b>Total</b>	<b>322.02</b>	<b>-</b>	<b>-</b>	<b>322.02</b>	<b>285.04</b>	<b>36.98</b>	<b>-</b>	<b>322.02</b>	<b>-</b>

(Rs. in Lacs)

**Note - 5 Investments**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Non - Current Investment			
<b>(a) Investment in Wholly owned Subsidiary</b>			
Investment carried at cost			
<u>Unquoted:</u>			
Extent of holding	100.00%	-	-
No. of Shares owned	10,000	-	-
Investment in Atul Green Automotive Private Ltd.	1.00	-	-
<b>Total (a)</b>	<b>1.00</b>	<b>-</b>	<b>-</b>
<b>(b) Investment in Associate</b>			
Investment carried at cost			
<u>Unquoted:</u>			
Extent of holding	30.00%	30.00%	49.91%
No. of Shares owned	11,820,000	9,120,000	2,296,000
Investment in Khushbu Auto Finance Limited	1,452.00	912.00	229.60
Less:- Provision for diminution (other than temporary) in value	-130.87	-130.87	-130.87
<b>Total (b)</b>	<b>1,321.13</b>	<b>781.13</b>	<b>98.73</b>

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

(Rs. in Lacs)

Particulars		March 31, 2018	March 31, 2017	April 1, 2016
<b>(c) Investment in Equity Share of other Entity</b>				
Investment carried at cost				
<u>Quoted</u>				
Extent of holding		Less than 1%	Less than 1%	Less than 1%
Shares in Suzlon Energy Limited		-	0.32	0.32
Less :- Provision for diminution (other than temporary) in value		-	-0.28	-0.28
<b>Total (c)</b>		<b>-</b>	<b>0.03</b>	<b>0.03</b>
<b>Total Non - Current Investment (a+b+c)</b>		<b>1,322.13</b>	<b>781.16</b>	<b>98.76</b>
<b>Current Investment</b>				
<b>(d) Investment in Mutual Fund</b>				
Investment carried at fair value through Profit & Loss				
<u>Quoted</u>	Units			
Reliance Gilt Securities Fund [Growth]	1,082,828.81	-	247.48	-
HDFC Gilt Fund Long Term Plan [Direct]	287,176.56	-	98.55	-
Taurus Liquid Fund-Direct [Growth]	18,269.95	-	298.67	-
Kotak Gilt Investment Regular [Growth]	182,045.79	-	106.98	-
DSP Blackrock Liquidity Fund-Direct [Growth]	12,094.24	300.58	-	-
ICICI Prudential Long Term Gilt Fund [Growth]	416,292.04	-	243.14	-
ICICI Prudential Long Term [Growth]	959,651.45	-	199.20	-
Franklin India Government Securities Fund- Ltp	487,894.75	-	196.81	-
JM High Liquidity Fund [Growth]	526,367.71	250.41	-	-
JM Money Manager Super Plus Plan [Growth]	1,150,110.65	286.31	-	-
Birla Sun Life Cash Plus - Direct Plan [Growth]	71,737.98	200.37	-	-
IDBI Liquid Fund [Growth]	13,458.69	250.40	-	-
Franklin India Ultra Short Term Bond-Super Ip[Gr]	1,286,947.58	310.68	-	-
Indiabulls Liquid Fund-Growth	14,746.33	250.43	-	-
Kotak Low Duration Fund [Growth]	4,575.13	100.23	-	-
Tata Ultra Short Term Fund [Growth]	4,781.65	127.05	-	-
Tata Money Market Fund- Liquid	9,148.75	250.53	-	-
Religare Invesco Liquid Fund [Growth]	10,470.05	250.45	-	-
DSP Blackrock Ultra Short Term Fund-[Growth]	1,003,378.44	127.93	-	-
Birla Sun Life Floating Rate Short Term Fund	108,018.51	250.59	-	-
Birla Sun Life Saving Fund	45,216.84	155.51	-	-
Kotak Floater Short Term Fund [Growth]	3,511.33	100.14	-	-
ICICI Prudential Liquid Fund [Growth]	66,248.00	170.35	-	-
ICICI Prudential Money Market Fund-Growth [Liquid]	104,158.06	250.46	-	-
SBI Magnum Insta Cash Fund [Growth]	2,606.46	100.17	-	-
Essel Liquid Fund- Growth	13,077.63	250.24	-	-
Axis Liquid Fund	10,393.70	200.34	-	-
Tata Liquid Fund	3,125.48	100.13	-	-
SBI Magnum Gilt Fund-Ltp-Growth	527,931.54	-	197.99	-
Sundaram Money Fund	683,842.80	250.53	-	-
<b>Total (d)</b>		<b>4,533.83</b>	<b>1,588.82</b>	<b>-</b>
<b>Total Current Investment</b>		<b>4,533.83</b>	<b>1,588.82</b>	<b>-</b>
<b>Total Investment</b>		<b>5,855.96</b>	<b>2,369.98</b>	<b>98.76</b>
Aggregate provision for diminution in value of investments		130.87	131.15	131.15

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

(Rs. in Lacs)

	Book Value (Rs.)			Market Value (Rs.)		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
<b>Quoted</b>	-	0.03	0.03	-	0.06	0.04
<b>Unquoted</b>	1,321.13	781.13	98.73	-	-	-

**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 1.4 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, 2018	March 31, 2017	April 1, 2016
<b>A. Non Current Other Financial Assets</b>			
Deposits with residual maturity for more than 12 months	8.65	6.26	-
<b>Total Non Current Other Financial Assets (A)</b>	<b>8.65</b>	<b>6.26</b>	<b>-</b>
<b>B. Current Other Financial Assets</b>			
Other Income Receivable	41.51	18.04	13.02
Security Deposits	25.11	-	-
<b>Total Current Other Financial Assets (B)</b>	<b>66.62</b>	<b>18.04</b>	<b>13.02</b>
<b>Total Other Financial Assets (A+B)</b>	<b>75.27</b>	<b>24.30</b>	<b>13.02</b>

**Note - 7 Other Assets**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>A. Other Non - Current Assets</b>			
Security Deposit	40.95	38.85	15.87
Advances for Capital Goods	214.26	170.92	258.06
Balance with Govt. authority	23.27	4.33	8.49
<b>Total Other Non Current Assets (A)</b>	<b>278.48</b>	<b>214.09</b>	<b>282.42</b>
<b>B. Other Current Assets</b>			
Advances to Supplier	113.75	83.73	245.47
Prepaid Expenses	59.15	36.53	58.63
Other Receivable	59.88	86.52	116.40
<b>Total Other Current Assets (B)</b>	<b>232.78</b>	<b>206.78</b>	<b>420.50</b>
<b>Total Other Assets (A+B)</b>	<b>511.26</b>	<b>420.87</b>	<b>702.92</b>

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

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Raw Material	3,742.25	2,561.20	2,496.30
Work In Progress	16.61	65.62	183.00
Finished Goods	811.98	960.35	793.01
Stock in trade	32.65	36.20	-
<b>Total Inventories</b>	<b>4,603.49</b>	<b>3,623.37</b>	<b>3,472.31</b>

**Note - 9 Trade Receivable**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(Unsecured, Considered Good, unless stated otherwise)			
Good	7,821.53	4,718.71	7,595.85
Doubtful	52.75	19.08	-
<b>Total (A)</b>	<b>7,874.28</b>	<b>4,737.79</b>	<b>7,595.85</b>
Provision for Expected Credit Loss	52.75	19.08	-
<b>Total (B)</b>	<b>52.75</b>	<b>19.08</b>	<b>-</b>
<b>Net Trade Receivables (A - B)</b>	<b>7,821.53</b>	<b>4,718.71</b>	<b>7,595.85</b>

**Note - 10 Cash & Cash Equivalent**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Cash on Hand	1.15	11.78	1.82
Balances with Bank			
In Current Accounts	1,646.67	4,066.51	1,022.70
Cheques on Hand	0.01	1.02	225.75
<b>Total Cash &amp; Cash Equivalent</b>	<b>1,647.83</b>	<b>4,079.31</b>	<b>1,250.27</b>

**Note - 11 Other Bank Balances**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unpaid Dividend Bank Balances	37.42	42.12	32.23
Deposits with residual maturity for less than 12 months	100.96	131.34	89.68
Deposits with residual maturity for more than 12 months	8.65	6.26	-
	147.03	179.72	121.90
Amount disclosed under 'Other Financial Assets' (See Note -6 )	-8.65	-6.26	-
<b>Total Other Bank Balances</b>	<b>138.37</b>	<b>173.46</b>	<b>121.90</b>

**Note - 12 Loans**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Loan to Staff	7.53	5.36	11.68
<b>Total Current Loans</b>	<b>7.53</b>	<b>5.36</b>	<b>11.68</b>

**Note - 13 Share Capital**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
(a) <u>Authorised Shares</u>			
Equity Shares of Rs. 5 each	No of Share	30,000,000	30,000,000
	Amount (Rs.)	1,500.00	1,500.00
<u>Issued &amp; Subscribed Shares</u>			
Equity Shares of Rs. 5 each	No of Share	23,224,600	23,224,600
	Amount (Rs.)	1,161.23	1,161.23
<u>Paid up Shares</u>			
Equity Shares of Rs. 5 each	No of Share	21,943,200	21,943,200
	Amount (Rs.)	1,097.16	1,097.16
<b>Total Share Capital</b>		<b>1,097.16</b>	<b>1,097.16</b>



**Note - 13 Share Capital (Contd.)****(b) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares**

	2017-18		2016-17	
	No.	Amount Rs.	No.	Amount Rs.
At the beginning of the period	21,943,200	1,097.16	21,943,200	1,097.16
Outstanding at the end of the period	21,943,200	1,097.16	21,943,200	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 2.50/- Per Share. (March 31, 2017 : Rs.4.25 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**

Name of Shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No.	% of total holding	No.	% of total holding	No.	% of total holding
	Equity Share of Rs.5 each		Equity Share of Rs.5 each		Equity Share of Rs.5 each	
Maheshbhai J Chandra	1,969,242	8.97%	1,969,242	8.97%	1,290,066	5.88%
Jayantibhai J Chandra	1,351,742	6.16%	1,351,742	6.16%	1,351,742	6.16%
Dharmendrabhai J Chandra	1,267,326	5.78%	1,267,326	5.78%	1,267,326	5.78%
Harishbhai J Chandra	1,164,786	5.31%	1,164,786	5.31%	1,164,786	5.31%
Aditya Birla Sunlife Trustee Company Private Limited	1,212,104	5.52%	1,016,261	4.63%	1,114,159	5.08%
HDFC Trustee Company Limited	1,796,521	8.19%	841,386	3.83%	841,386	3.83%

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

**(e) Disclosure of Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date**

	2012-13
Year of Allotment	
No of Shares Allotted (Face value Rs.10/-)	3,657,200.00
Class of Shares	Equity Shares

**Note - 14 Other Equity**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>(a) Capital Reserves</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>
<b>(b) Share Premium Account</b>	<b>477.92</b>	<b>477.92</b>	<b>477.92</b>
<b>(c) General Reserve</b>			
Balance as at the beginning of the year	2,094.28	1,721.07	1,247.06
Add :- Transferred from retained earnings	-	373.20	474.00
Closing balance	2,094.28	2,094.28	1,721.07
<b>(d) Share Forfeiture</b>	<b>23.29</b>	<b>23.29</b>	<b>23.29</b>
<b>(e) Retained Earning</b>			
<b>Balance at the beginning of the year</b>	<b>14,701.96</b>	<b>12,745.60</b>	
Profit for the year	4,619.02	3,704.73	
Actuarial Gain/loss on defined benefit plans	17.89	11.46	
Final Dividend	-329.15	-548.58	
Tax on Final Dividend	-67.01	-111.68	
Interim Dividend	-603.51	-603.51	
Tax on Interim Dividend	-122.86	-122.86	
Transfer to General Reserve	-	-373.20	
<b>Balance in Retained Earning</b>	<b>18,216.36</b>	<b>14,701.96</b>	<b>12,745.60</b>
<b>Total Other Equity</b>	<b>20,841.84</b>	<b>17,327.45</b>	<b>14,997.88</b>

**Note - 15 Provisions**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>A. Non - Current Provision</b>			
Leave Salary Payable	-	104.34	32.70
Warranty Claim	14.84	13.63	17.92
<b>Total Non - Current Provisions (A)</b>	<b>14.84</b>	<b>117.97</b>	<b>50.62</b>
<b>B. Current Provision</b>			
<u>Provision for Employee Benefits</u>			
Gratuity	40.43	31.57	57.64
Leave Salary	-	13.63	126.66
<b>Sub-Total</b>	<b>40.43</b>	<b>45.20</b>	<b>184.30</b>
<u>Other Provisions</u>			
Provision for After Sales Activities	141.61	111.78	141.58
Provision for Warranty Claims	142.90	84.76	75.88
Provision for expected credit loss on risk sharing arrangement	9.21	5.15	-
<b>Sub-Total</b>	<b>293.72</b>	<b>201.68</b>	<b>217.46</b>
<b>Total Current Provisions (B)</b>	<b>334.15</b>	<b>246.88</b>	<b>401.76</b>
<b>Total Provisions (A+B)</b>	<b>348.99</b>	<b>364.85</b>	<b>452.38</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, 2018	March 31, 2017	April 1, 2016
At the beginning of the year	111.78	141.58	111.14
Arising during the year	218.86	180.99	234.27
Utilised during the year	189.03	210.80	203.83
At the end of the year	141.61	111.78	141.58

**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, 2018	March 31, 2017	April 1, 2016
At the beginning of the year	98.39	93.80	116.82
Arising during the year	204.85	140.41	122.57
Utilised during the year	145.50	135.83	145.59
At the end of the year	157.74	98.39	93.80

**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. The Company has recognized the provision based on Ind AS - 109 'Financial Instruments'.

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
At the beginning of the year	5.15	-	-
Arising during the year	78.88	5.15	-
Utilised during the year	74.81	-	-
At the end of the year	9.21	5.15	-

**Note - 16 Deferred Tax Liabilities****(i) Statement of Deferred Tax Liabilities**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<u>Deferred Tax Liabilities</u>			
on account of timing difference in			
Property, plant and equipment	595.07	596.72	565.77
Amortization of Intangible assets	-	-	12.81
<b>Gross deferred tax liabilities</b>	<b>595.07</b>	<b>596.72</b>	<b>578.58</b>
<u>Deferred Tax Assets</u>			
on account of timing difference in			
Impairment of Property, plant and equipment	6.24	6.24	6.24
Retiral and other benefits	13.99	10.93	19.95
Employee Benefits expense	-	40.83	55.15
Provision for bad/doubtful debts	41.45	21.79	13.40
<b>Gross deferred tax assets</b>	<b>61.68</b>	<b>79.78</b>	<b>94.74</b>
<b>Deferred tax liabilities</b>	<b>533.39</b>	<b>516.94</b>	<b>483.83</b>

**(ii) Movement In Deferred Tax Liabilities**

(Rs. in Lacs)

Particulars	Property, Plant & Equipment	Retiral And Other Benefits	Other Items	Total
At April 01, 2016	565.77	-75.10	-6.83	483.83
<u>Charged</u>				
to profit & loss	30.95	2.96	-6.87	27.04
to other comprehensive income	-	6.07	-	6.07
At March 31, 2017	596.72	-66.08	-13.70	516.94
<u>Charged</u>				
to profit & loss	-1.65	-11.94	21.17	7.58
to other comprehensive income	-	8.87	-	8.87
<b>At March 31, 2018</b>	<b>595.07</b>	<b>-69.15</b>	<b>7.46</b>	<b>533.39</b>

**Note - 17 Other Financial Liabilities**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Unpaid Dividends*	37.42	42.12	32.23
*Investor Education and Protection Fund will be credited by amount (as and when due)			
Expenses Payable	641.82	403.43	536.09
Dealer's Deposit	511.67	437.76	390.42
<b>Total Other Current Liabilities</b>	<b>1,190.91</b>	<b>883.31</b>	<b>958.74</b>

**Note - 18 Other Current Liabilities**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Advances from Customers	531.42	417.91	74.94
Statutory Dues	446.75	326.77	357.97
<b>Total Other Current Liabilities</b>	<b>978.17</b>	<b>744.68</b>	<b>432.91</b>

**Note - 19 Revenue From Operations**

(Rs. in Lacs)

Particulars	2017-18	2016-17
Sales of Vehicles	54,231.30	51,123.51
Domestic (Including excise duty but exclusive of GST)	50,559.31	48,665.08
Export (including merchant export)	3,672.00	2,458.43
Sales of Spares	2,221.44	1,751.18
Domestic (Including excise duty but exclusive of GST)	1,888.84	1,599.97
Export (including merchant export)	332.60	151.21
Sales of Traded Goods	4.46	3.95
<b>Total Sales</b>	<b>56,457.20</b>	<b>52,878.64</b>

The Government of India introduced Goods and Service Tax(GST) with effect from July 01, 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 the year ended March 31, 2018 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	2017-18	2016-17
Net Sales	55,122	47,220
<b>Other Operating Revenue</b>		
Export Incentive	130.82	70.79
Other Income	61.22	9.93
Commission Income	185.43	154.36
Technical Service Income	93.31	70.98
Scrap Sale	5.29	6.73
<b>Other Operating Revenue</b>	<b>476.07</b>	<b>312.79</b>
<b>Total Revenue From Operations</b>	<b>56,933.27</b>	<b>53,191.43</b>

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

(Rs. in Lacs)

Particulars		2017-18	2016-17
<b>Details of Product Sold under broad category - Domestic</b>			
Cargo	Amount	24,269.35	21,351.72
	Nos.	19,199	18,128
Passenger	Amount	24,278.70	21,742.10
	Nos.	19,213	18,238
E-Rickshaw	Amount	736.24	123.27
	Nos.	921	141
Spares		1,828.47	1,389.21
<b>Total</b>		<b>51,112.77</b>	<b>44,606.31</b>
<b>Details of Product Sold under broad category - Export</b>			
Cargo	Amount	667.29	304.04
	Nos.	547	235
Passenger	Amount	3,004.09	2,154.38
	Nos.	2,863	2,053
E-Rickshaw	Amount	0.61	-
	Nos.	1	-
Spares		332.60	151.21
<b>Total</b>		<b>4,004.60</b>	<b>2,609.64</b>

**Note - 20 Other Income**

(Rs. in Lacs)

Particulars	2017-18	2016-17
Gain on Sale /Revaluation of Mutual Fund	202.52	218.68
Interest on		
Bank Fixed Deposit	7.81	8.29
Other Deposits	4.92	-
Corporate Guarantee Fee	24.13	2.54
Profit on Sale of Fixed Assets	0.47	4.95
Rent	17.00	12.00
<b>Total Other Income</b>	<b>256.86</b>	<b>246.46</b>

**Note - 21 Changes In Inventories of Finished Goods, Work-in-progress and Stock-in-trade**

(Rs. in Lacs)

Particulars	2017-18	2016-17
<b>Work in progress</b>		
Opening Stock	65.62	183.00
Closing Stock	16.61	65.62
	<b>49.01</b>	<b>117.38</b>
<b>Finished Goods</b>		
Opening Stock	960.35	793.01
Closing Stock	811.98	960.35
	<b>148.37</b>	<b>-167.34</b>
<b>Stock in Trade</b>		
Opening Stock	36.20	-
Closing Stock	32.65	36.20
	<b>3.55</b>	<b>-36.20</b>
<b>Total Changes In Inventories</b>	<b>200.92</b>	<b>-86.16</b>

**Note - 22 Employee Benefit Expenses**

(Rs. in Lacs)

Particulars	2017-18	2016-17
Salary, Wages & Bonus	3,210.64	3,214.51
Directors' Remuneration	284.70	278.07
Contribution to Provident Fund and Gratuity [Note -34(a)]	280.04	219.53
Staff Welfare Expenses	237.42	208.98
<b>Total Employee Benefit Expenses</b>	<b>4,012.80</b>	<b>3,921.09</b>

**Note - 23 Finance Costs**

(Rs. in Lacs)

	2017-18	2016-17
Interest on Dealer Deposits	9.53	12.49
Interest on Income Tax	6.44	27.09
Other Borrowing Cost	26.20	18.39
<b>Total Finance Cost</b>	<b>42.16</b>	<b>57.97</b>

**Note - 24 Depreciation & Amortisation**

(Rs. in Lacs)

	2017-18	2016-17
Depreciation on Property, Plant and Equipments	521.28	485.17
Depreciation on Investment Property	4.93	6.27
Amortisation of Intangible Assets	-	36.98
<b>Total Depreciation &amp; Amortisation</b>	<b>526.21</b>	<b>528.41</b>

**Note - 25 Other Expenses**

(Rs. in Lacs)

Particulars	2017-18	2016-17
(Increase)/Decrease of Excise Duty on Inventory	-121.76	11.84
Repairs to Buildings	127.09	39.58
Repairs to Machinery	211.26	134.05
Research & Development Expenses	322.21	20.21
Windmill Operation Charges	9.38	8.05
Power & Fuel	316.63	278.09
Vehicle Expenses	136.68	102.03
Advertising & Sales Promotion	573.50	682.61
Freight & Forwarding Expenses	539.98	385.06
Travelling & Conveyance	525.44	404.23
Warranty & After Sales Services	411.00	303.97
Payment to Auditor*	6.19	18.12
Communication Cost	37.59	41.53
Directors' Sitting Fees	5.87	4.99
Donation	65.18	43.73
Other Expenses	-4.90	7.20
Insurance	32.68	37.48
Legal & Consultancy Charges	104.72	46.35
Office Admin Expenses	77.03	67.83
Other Miscellaneous Expenses	86.81	62.06
Printing & Stationary	32.61	36.26
Rates and Taxes	19.83	92.61
Rent	68.14	55.96
Provision for Doubtful Debt	52.75	19.08
Repairs to Others	195.15	190.46
Loss on Risk Sharing Arrangement	78.88	-
<b>Total Other Expenses</b>	<b>3,909.96</b>	<b>3,093.37</b>

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

(Rs. in Lacs)

Particulars	2017-18	2016-17
* Payment to Auditor includes		
For Audit Fee	4.25	4.00
For Limited Review	1.65	1.50
For Tax Audit	-	3.50
For Taxation matters	-	8.50
Reimbursement Expense	0.29	0.62
<b>Total</b>	<b>6.19</b>	<b>18.12</b>

**Note - 26 Tax Expenses**

(Rs. in Lacs)

Particulars	2017-18	2016-17
Current tax on profits for the year	2,310.98	1,889.46
Adjustment for current tax of prior periods	5.57	-11.43
	2,316.55	1,878.03
Deferred Tax	7.58	27.04
<b>Total Tax Expenses</b>	<b>2,324.12</b>	<b>1,905.07</b>
<u>Reconciliation of tax expense and the accounting profit multiplied by India 's tax rate</u>		
Profit before tax	6,943.15	5,609.80
Tax at the Indian tax of 34.61%	2,403.02	1,941.55
<u>Tax effect of amount which are not deductible (taxable) in calculating taxable income:</u>		
Donation expense which is not allowable	11.28	1.17
Interest on Income tax	2.23	9.37
Adjustment for current tax of prior period	5.57	-11.43
Other	4.98	23.60
<u>Tax effect of amount which are deductible (non- taxable) in calculating taxable income:</u>		
Weighted deduction for research & development expenditure	-92.64	-28.75
Deduction for profit from specified undertaking	-8.68	-22.58
Deduction for wages paid to additional employees	-	-7.01
Other	-1.64	-0.85
	<b>2,324.12</b>	<b>1,905.07</b>

**Note - 27 Earning Per Share**

(Rs. in Lacs)

Particulars	2017-18	2016-17
Net profit as per statement of Profit & Loss	4,619.02	3,704.73
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>21.05</b>	<b>16.88</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	2017-18	2016-17
Sales Tax	27.41	27.41
Excise Duty	16.81	16.81
Service Tax	-	55.56
Income Tax	199.74	210.91
Case Pending before Consumer Forum	35.25	23.69
Case filed by investor for non allotment of Right Issue Shares	13.46	13.46
Pending C form	289.34	1,202.06
Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	<b>8,111.96</b>	-
Amount of Guarantee is Rs.15,000 lacs in FY 2017-18 and Rs.5,000 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>8,693.97</b>	<b>1,549.90</b>

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

(Rs. in Lacs)

Particular	2017-18	2016-17
For Purchase of Assets	75.89	91.03

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

(Rs. in Lacs)

Particulars	2017-18	2016-17
Contribution to trusts/associations for preventive healthcare activities	7.02	6.00
Contribution to trusts/associations for education	10.75	15.91
Contribution to trusts/associations for national heritage and culture	4.01	0.35
Contribution to trusts/associations for promoting healthcare	24.25	12.00
Contribution to trusts/associations for Eradicating hunger, poverty	15.66	-
Contribution to trusts/ association for ensuring environment sustainability	01.00	-
<b>Total CSR Expenditure</b>	<b>62.69</b>	<b>34.26</b>

**Note - 31 Lease**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>As a Lessor:</b>			
The Company has given premises on operating leases. This lease arrangement is renewable for further period on mutually agreeable terms and also includes escalation clauses.			
The total future minimum lease rentals receivable at the balance sheet date is as under:			
Within one year	12.35	25.20	-
After one year but not more than five years	18.48	26.46	-
<b>Total</b>	<b>30.83</b>	<b>51.66</b>	<b>-</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	47.14	56.34	19.76
After one year but not more than five years	21.92	77.93	13.38
More than five years	-	-	-
<b>Total</b>	<b>69.06</b>	<b>134.26</b>	<b>33.13</b>



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

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Relating to export during the year as a part of sales / other Income	4.27	-2.95	2.07
On settlement of other transaction as part of other expense	0.63	-4.25	17.70
<b>Total</b>	<b>4.90</b>	<b>-7.20</b>	<b>19.77</b>

**Note - 33 Particulars of Unhedged Foreign Currency at the reporting date**

(Rs. in Lacs)

Particulars		March 31, 2018	March 31, 2017	April 1, 2016
Export Trade Receivable	USD	5.08	4.36	3.28
	INR	302.58	282.71	217.53
Import Trade Payable	USD	3.54	3.23	1.19
	INR	230.26	209.25	80.46

**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, 2018	March 31, 2017	April 1, 2016
<u>Amount recognised in Balance Sheet</u>			
Present Value of funded defined benefit obligation	-394.65	-340.48	-324.32
Fair Value of Plan Assets	354.22	308.90	266.68
<b>Net funded obligation</b>	<b>-40.43</b>	<b>-31.57</b>	<b>-57.64</b>
<u>Expense recognised in the statement of Profit &amp; Loss</u>			
Current Service Cost	62.93	43.41	-
Past Service Cost	12.43	-	-
Interest on net defined benefit liability /(assets)	3.85	4.61	-
<b>Total expense charged to Profit &amp; Loss</b>	<b>79.21</b>	<b>48.02</b>	<b>-</b>
<u>Amount recorded as other comprehensive income</u>			
<b>opening amount recognised in OCI outside Profit &amp; Loss account</b>	<b>-17.52</b>	<b>-</b>	<b>-</b>
<u>Remeasurements during the period due to</u>			
Actuarial (gain)/losses on obligation for the period	-28.68	-20.50	-
Actual return on plan assets less interest on plan assets	1.91	2.98	-
<b>closing amount recognised in OCI outside Profit &amp; Loss account</b>	<b>-44.29</b>	<b>-17.52</b>	<b>-</b>
<u>Reconciliation of net liability/(assets)</u>			
<b>Opening net defined benefit liability/(assets)</b>	<b>31.57</b>	<b>57.64</b>	<b>-</b>
expense charged to profit & loss account	79.21	48.02	-
Amount recognised outside Profit & Loss account	-26.77	-17.52	-
employer contributions	-43.59	-56.56	-
<b>closing net defined benefit liability/(assets)</b>	<b>40.43</b>	<b>31.57</b>	<b>57.64</b>

**Note - 34 Employee Benefits (Contd.)**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<u>Movement in benefit obligation</u>			
<b>Opening of defined benefit obligation</b>	340.48	324.32	-
Current Service Cost	62.93	43.41	-
Interest on defined benefit obligation	26.52	25.95	-
Past Service cost	12.43	-	-
<u>Remeasurements due to</u>			
Actuarial Loss /(gain) arising from change in financial assumptions	-26.05	-43.79	-
Actuarial Loss /(gain) arising on account of experience changes	-2.63	22.38	-
Actuarial Loss /(gain) arising from change in Demographic assumptions	-	0.90	-
Benefits paid	-19.04	-32.69	-
<b>Closing of Defined benefit obligation</b>	<b>394.65</b>	<b>340.48</b>	<b>324.32</b>
<u>Movement in Plan Assets</u>			
<b>Opening Fair Value of Plan Assets</b>	308.90	266.68	-
employer contributions	43.59	56.56	-
interest on plan assets	22.67	21.33	-
<u>Remeasurements due to:</u>			
Actual return on plan assets less interest on plan assets	-1.91	-2.98	-
Benefits paid	-19.04	-32.69	-
<b>closing fair value of plan assets</b>	<b>354.22</b>	<b>308.90</b>	<b>266.68</b>
<u>Disaggregation of Assets</u>			
<b>Category of Assets</b>			
Insurer managed funds	354.22	308.90	-
Others	-	-	-
<b>Grand Total</b>	<b>354.22</b>	<b>308.90</b>	<b>-</b>

Key Actuarial Assumptions	March 31, 2018	March 31, 2017	April 1, 2016
Discount rate (p.a)	7.85%	7.34%	8.00%
Expected return on plan assets	7.85%	7.34%	8.00%
Rate of salary Increase	7.00%	7.00%	8.00%
Rate of employee turnover	for service 4 years & below 15% p.a. & above 2% p.a.	for service 4 years & below 15% p.a. for service 5 years & above 2% p.a.	Age Related

**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	394.65	361.33
Delta Effect of +1% Change in Rate of Discounting	-44.25	-44.71
Delta Effect of -1% Change in Rate of Discounting	53.66	54.67
Delta Effect of +1% Change in Rate of Salary Increase	49.04	54.30
Delta Effect of -1% Change in Rate of Salary Increase	-41.30	-45.22
Delta Effect of +1% Change in Rate of Employee Turnover	5.94	1.03
Delta Effect of -1% Change in Rate of Employee Turnover	-6.85	-1.32

**(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	2017-18			2016-17		
		Transaction Value	Dr./ Cr.	Outstanding amount in	Transaction Value Balance Sheet	Dr./ Cr.	Outstanding amount in Balance Sheet
<b>Subsidiary</b>							
Atul Green Automotive Private Ltd.	Contribution to equity	1.00	Dr.	1.00	-		-
	(10,000 shares of Rs. 10 each)	<b>1.00</b>	<b>Dr.</b>	<b>1.00</b>	-		-
<b>Associate</b>							
Khushbu Auto Finance Ltd.	Receipt of Lease/Rent (Inclusive of Taxes)	19.88	Cr.	-47.51	13.80		-
	Payment of Subvention Charges/Incentive	90.26			29.14		
	Outstanding Amount of loans in books of Associate Company for which Guarantee is given to Bank on behalf of an Associate	8,111.96			-		
	Amount of Guarantee given on behalf of Associate	15,000.00			5,000.00		
	Corporate Guarantee Fee	26.90			2.54		
		<b>23,249.00</b>	<b>Cr.</b>	<b>-47.51</b>	<b>5,045.48</b>		
<b>Key Management Personnel and their relatives</b>							
Krunal J Chandra	Remuneration	11.00		-	11.00		-
Jayantibhai J Chandra	Remuneration	127.20	Cr.	-7.49	124.50	Dr.	0.18
Mahendra J Patel	Remuneration	110.40	Cr.	-6.41	108.00		-
Niraj J Chandra	Remuneration	51.60	Cr.	-3.41	50.50	Dr.	1.43
Paras J Virangama	Remuneration	4.86		-	4.58		-
<b>Other entities</b>							
Atul Auto Industries	Purchase of Raw Material Spares	400.47	Cr.	-11.10	145.70	Cr.	-0.55
	Purchase of Fixed Asset	-			10.52		
	Other Expenses	1.07			0.03		
		<b>401.54</b>	<b>Cr.</b>	<b>-11.10</b>	<b>156.25</b>	<b>Cr.</b>	<b>-0.55</b>
Atul Motors Private Limited	Sales of used vehicles	4.65	Cr.	-5.25	-	Cr.	-3.21
	Purchase of Fixed Asset	9.83			-		
	Other Expenses	0.23			3.21		
		<b>14.71</b>	<b>Cr.</b>	<b>-5.25</b>	<b>3.21</b>	<b>Cr.</b>	<b>-3.21</b>
Khushbu Auto Private Limited	Sales (Inclusive of Tax)	5,448.63	Dr.	297.59	4,249.63	Cr.	-140.06
	Warranty Claims/After Sales Service/PDI/WRC Charges	14.94			17.53		
	Other Expense	0.04			-		
	Sales Incentive and Sales promotion	8.43			-		
		<b>5,472.04</b>	<b>Dr.</b>	<b>297.59</b>	<b>4,267.16</b>	<b>Cr.</b>	<b>-140.06</b>
New Chandra Motor Cycle Agency	Sales (Inclusive of Tax)	178.12	Dr.	13.59	184.71	Dr.	43.77
	Warranty Claims/After Sales Service/PDI/WRC Charges/LGO Meet Exp	1.37			2.74		
	Miscellaneous Expenses	0.26			-		
	Sales Incentive and Sales Promotion	0.13			-		
		<b>179.88</b>	<b>Dr.</b>	<b>13.59</b>	<b>187.45</b>	<b>Dr.</b>	<b>43.77</b>
New Chandra Motor Cycle House	Sales (Inclusive of Tax)	105.78		-	30.33	Dr.	1.27
	Purchase of Raw Material Spares	28.27			3.25		
		<b>134.05</b>			<b>33.58</b>	<b>Dr.</b>	<b>1.27</b>

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

(Rs. in Lacs)

Financial Assets & Liabilities						
Particulars	March 31, 2018		March 31, 2017		April 1, 2016	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>						
Investment in Mutual Fund	4,533.83	-	1,588.82	-	-	-
Trade Receivable	-	7,821.53	-	4,718.71	-	7,595.85
Cash & Cash Equivalents	-	1,647.83	-	4,079.31	-	1,250.27
Loans to Staff	-	7.53	-	5.36	-	11.68
Balance in Unpaid Dividend	-	37.42	-	42.12	-	32.23
Investment in Fixed Deposits	-	109.61	-	137.60	-	89.68
Other Income Receivable	-	41.51	-	18.04	-	13.02
Security Deposits	-	25.11	-	-	-	-
<u>Investment in Equity Shares (Unquoted)</u>						
Khushbu Auto Finance Limited	-	1,321.13	-	781.13	-	98.73
Atul Green Automotives Private Limited	-	1.00	-	-	-	-
<u>Investment in Equity Shares (Quoted)</u>						
Suzlon Energy Limited	-	-	0.03	-	-	0.03
<b>Total Financial Assets</b>	<b>4,533.83</b>	<b>11,012.66</b>	<b>1,588.85</b>	<b>9,782.26</b>	<b>-</b>	<b>9,091.48</b>
<b>Financial Liabilities</b>						
Trade Payable	-	4,939.77	-	3,596.27	-	3,599.75
Unpaid Dividend	-	37.42	-	42.12	-	32.23
Outstanding Expenses	-	641.82	-	403.43	-	536.09
Dealers' Deposits	-	511.67	-	437.76	-	390.42
<b>Total Financial Liabilities</b>	<b>-</b>	<b>6,130.68</b>	<b>-</b>	<b>4,479.59</b>	<b>-</b>	<b>4,558.49</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 an instrument are observable, the instrument is included in Level-2.
- Level - 3** If one or more of the significant inputs is 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, 2018	March 31, 2017	March 31, 2016
<b>Level -I</b>			
<b>Financial Investment at FVTPL</b>			
Investment in Mutual Fund	4,533.83	1,588.82	-
Shares in Suzlon Energy Limited	-	0.03	0.03
<b>Level -II</b>	-	-	-
<b>Level -III</b>	-	-	-
<b>Total</b>	<b>4,533.83</b>	<b>1,588.85</b>	<b>0.03</b>

**Valuation Techniques used to determine fair value :**

Opened ended Mutual funds are valued at closing NAV's 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. The Company has taken insurance against default risk from trade receivable.
Liquidity Risk	Other liabilities	Maturity analysis	Maintaining sufficient cash / cash equivalents and marketable investments
Market Risk- Foreign Exchange	Trade receivable from export transaction and trade payable from import transaction	Sensitivity analysis	Export of goods shall be made after receiving payments from customer and in other case original Bill of landing is held by company till payment received.

The Board provides guiding principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, credit risk and investment of surplus liquidity. The Company's risk management is carried out by 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)

Particular	Rs.
Loss allowance as on April 01, 2016	-
Changes in loss allowance	19.08
Loss allowance as on March 31, 2017	<b>19.08</b>
Changes in loss allowance	33.67
Loss allowance as on March 31, 2018	<b>52.75</b>

- Credit Insurance Policy**

During the year company has taken credit insurance policy for covering default risk from trade receivable which reduces default risk at reasonable level.

Review of outstanding trade receivables and financial assets is carried out by Management at every month end. Company has a practice to provide for doubtful debts on a case to case basis after considering inter-alia customer's credibility etc. Provision is made in the books if they are considered to be doubtful.

- 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, 2018	March 31, 2017
Net Working Capital Funds	11,608.99	8,942.70
Which includes:		
i Cash & Cash Equivalents	1,647.83	4,079.31
ii Current Investment	4,533.83	1,588.82
	6,181.66	5,668.13

Contractual maturities of significant financial Liabilities as on March 31, 2018, March 31, 2017 and April 01, 2016 are as follows :-

**Maturities of Financial Liabilities**

(Rs. in Lacs)

Particulars	Less than & equal to 1 Year	More than to 1 Year	Total
<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>
<b>As on March 31, 2017</b>			
Trade Payable	-	-	-
Other Financial Liabilities	883.31	-	883.31
	<b>883.31</b>	<b>-</b>	<b>883.31</b>
<b>As on April 01, 2016</b>			
Trade Payable	-	-	-
Other Financial Liabilities	958.74	-	958.74
	<b>958.74</b>	<b>-</b>	<b>958.74</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:

(USD in Lacs)

Particulars	March 31, 2018 USD	March 31, 2017 USD	April 01, 2016 USD
Receivable	5.08	4.36	3.28
Payable	3.54	3.23	1.19

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

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 01, 2018:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 21 The Effect of Changes in Foreign Exchange Rates

**Ind AS 115 – Revenue from Contracts with Customers**

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 – Revenue, Ind AS 11 – Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition :-

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company has completed its evaluation of the possible impact of Ind AS 115 and will adopt the standard with all related amendments to all contracts with customers retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Under this transition method, cumulative effect of initially applying Ind AS 115 is recognised as an adjustment to the opening balance of retained earnings of the annual reporting period. The standard is applied retrospectively only to contracts that are not completed contracts at the date of initial application. The Company does not expect the impact of the adoption of the new standard to be material on its retained earnings and to its net income on an ongoing basis.

**Ind AS 21 – The Effect of Changes in Foreign Exchange Rates**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. Company is evaluating the impact of this amendment on its financial statements.

**Note - 38 Other Notes**

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 the Consolidated Ind As Financial Statements

We have audited the accompanying consolidated 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 March 31, 2018, the consolidated statement of profit and loss (including other Comprehensive income), the consolidated statement of cash flow for the year then ended and the consolidated statement of change in equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated Ind As financial statements').

### Management's responsibility for the consolidated financial statements

The Holding Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flow and change in equity of the group including its associate in accordance with accounting principles generally accepted in India including the Indian accounting standards specified in the companies (Indian Accounting Standards) Rule, 2015 (as amended) under section 133 of the act. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

### Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated Ind As financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the

audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their reports referred to in other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditor on separate financial statements and other financial information of the subsidiary, the aforesaid consolidated Ind As financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at March 31, 2018, and their consolidated profit and their consolidated cash flow and consolidated change in equity for the year ended on that date.

### Other Matters

1. We did not audit the financial statement of subsidiary company, whose financial statement reflect the total assets of Rs. 0.82 Lacs. as at March 31, 2018 total revenue nil, net loss of Rs.0.18 Lacs. and net cash outflow amounting to Rs. 0.18 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 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 April 01, 2018, with comparatives for the periods ending on March 31, 2018, or thereafter but 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 with 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 accounting policies followed by the parent company for consolidation purposes.

3. The financial information of the Company for the year ended 31 March 2017 and the transition date opening Balance Sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statement for the year ended March 31, 2017 and financial information as at March 31, 2016 presented as comparative figures in financial statement for the year ended March 31, 2017 in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by predecessor auditor, on which they expressed an unmodified opinion dated May 13, 2017. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us, on which we have expressed an unmodified opinion vide our report dated May 19, 2018.

Our opinion on the consolidated Ind AS 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 have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it 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, consolidated statement of cash flow and consolidated statement of changes in equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended;
- e. On the basis of the written representations received from the directors of the Holding company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its Subsidiary and associate company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a Director of that company in terms of sub-section 2 of Section 164 of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Group 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer to Note 9 to the consolidated 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 Holding Company, subsidiary company and associate company 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 May 19, 2018

## ANNEXURE A TO THE AUDITORS' REPORT

### 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, 2018, 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 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, the Group and its 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 March 31, 2018 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.

#### For Kamlesh Rathod & Associates

Chartered Accountants  
Firm Registration No.117930W

#### Kamlesh Rathod

Partner  
Membership No.101046

Signed at Shapur (Dist. Rajkot) on May 19, 2018

**CONSOLIDATED BALANCE SHEET as at March 31, 2018**

(Rs. in Lacs)

Particulars	Note No.	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment		8,602.67	8,617.92	8,423.15
(b) Capital work-in-progress		526.18	315.79	286.20
(c) Investment Property		52.30	96.91	-
(d) Intangible Assets		-	-	36.98
(e) Financial Assets				
(i) Investments	4	1,464.07	754.78	11.81
(ii) Other Financial Assets		8.65	6.26	-
(f) Income Tax Assets (Net)		87.83	84.69	98.51
(g) Other Non-Current Assets		278.48	214.09	282.42
<b>Current Assets</b>				
(a) Inventories		4,603.49	3,623.37	3,472.31
(b) Financial Assets				
(i) Investments	4	4,533.83	1,588.82	-
(ii) Trade Receivables		7,821.53	4,718.71	7,595.85
(iii) Cash and cash equivalents	5	1,648.65	4,079.31	1,250.27
(iv) Other Bank Balances		138.37	173.46	121.90
(v) Loans		7.53	5.36	11.68
(vi) Other Financial Assets		66.62	18.04	13.02
(c) Other current assets		232.78	206.78	420.50
<b>Total Assets</b>		<b>30,072.98</b>	<b>24,504.28</b>	<b>22,024.59</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
(a) Equity Share Capital		1,097.16	1,097.16	1,097.16
(b) Other Equity	6	20,984.60	17,301.07	14,910.92
<b>LIABILITIES</b>				
<b>Non-Current Liabilities</b>				
(a) Provisions		14.84	117.97	50.62
(b) Deferred tax liabilities (Net)		533.39	516.94	483.83
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Trade Payables				
(a) Total outstanding dues of micro enterprises and small enterprises		1,586.17	1,284.43	1,292.72
(b) Total outstanding dues other than micro enterprises and small enterprises		3,353.60	2,311.84	2,307.03
(ii) Other Financial Liabilities		1,190.91	883.31	958.74
(b) Other current liabilities		978.17	744.68	432.91
(c) Provisions		334.15	246.88	401.76
(d) Current Tax Liability		-	-	88.91
<b>Total Equity and Liabilities</b>		<b>30,072.98</b>	<b>24,504.28</b>	<b>22,024.59</b>

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 19, 2018**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 PROFIT & LOSS** for the year ended March 31, 2018

(Rs. in Lacs)

Sr. No.	Particulars	Notes No.	For the year ended March 31, 2018	For the year ended March 31, 2017
I	<b>INCOME FROM OPERATIONS</b>			
a	Gross Sales		56,457.20	52,878.64
b	Other Operating Income		476.07	312.79
	TOTAL Revenue from Operation		56,933.27	53,191.43
II	Other Income		256.86	246.46
III	<b>TOTAL INCOME (I + II)</b>		<b>57,190.13</b>	<b>53,437.89</b>
IV	<b>EXPENSES</b>			
a	Cost of materials consumed		40,219.55	34,615.49
b	Purchase of Stock in trade		-	39.17
c	Changes in inventories of finished goods, work-in-progress and stock-in-trade		200.92	-86.16
d	Excise Duty		1,335.38	5,658.75
e	Employee benefits expenses		4,012.80	3,921.09
f	Finance Costs		42.16	57.97
g	Depreciation and amortisation expenses		526.21	528.41
h	Other expenses	7	3,910.14	3,093.37
	<b>TOTAL EXPENSES</b>		<b>50,247.17</b>	<b>47,828.09</b>
V	Profit before exceptional items		6,942.96	5,609.80
VI	Exceptional items		-	-
VII	<b>Profit Before tax (V + VI)</b>		<b>6,942.96</b>	<b>5,609.80</b>
VIII	<b>Tax expenses</b>		<b>2,324.12</b>	<b>1,905.07</b>
a	Current Tax		2,316.55	1,878.03
b	Deferred Tax		7.58	27.04
IX	<b>Profit for the period</b>		<b>4,618.84</b>	<b>3,704.73</b>
X	<b>Share in net profit /(loss) of Associate</b>		<b>170.36</b>	<b>-32.45</b>
XI	<b>Total Profit for the period</b>		<b>4,789.20</b>	<b>3,672.28</b>
XII	<b>Other Comprehensive Income, Net of Tax</b>		<b>16.86</b>	<b>9.46</b>
a	Items that will not be reclassified to profit or loss		16.86	9.46
b	Items that will be reclassified to profit or loss		-	-
XIII	<b>Total Comprehensive Income for the Period (XI + XII)</b>		<b>4,806.05</b>	<b>3,681.74</b>
XIV	<b>Profit attributable to :-</b>			
	<b>Owners of the Company</b>		<b>4,789.20</b>	<b>3,672.28</b>
	<b>Non - Controlling Interest</b>		<b>-</b>	<b>-</b>
XV	<b>Total Comprehensive Income attributable to :-</b>			
	<b>Owners of the Company</b>		<b>4,806.05</b>	<b>3,681.74</b>
	<b>Non - Controlling Interest</b>		<b>-</b>	<b>-</b>
XVI	Paid-up equity share capital (Face Value of Rs.5/-)	No Amount	21,943,200	21,943,200
			1,097.16	1,097.16
XVII	<b>Earning Per Share Basic &amp; Diluted</b>	8	<b>21.83</b>	<b>16.74</b>

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 19, 2018

**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, 2018

(Rs. in Lacs)

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

Balance as at April 01, 2016	Change in equity share capital during the year	Balance as at March 31, 2017
1097.16	--	1097.16
Balance as at March 31, 2017	Change in equity share capital during the year	Balance as at March 31, 2018
1097.16	--	1097.16

**(B) Other Equity**

Particulars	Note No.	Capital Reserve	Security Premium	General Reserve	Shares Forfeiture	Retained Earnings	Total Other Equity
<b>Balance as at April 01, 2016</b>	<b>6</b>	<b>30.00</b>	<b>477.92</b>	<b>1,721.07</b>	<b>23.29</b>	<b>12,658.64</b>	<b>14,910.92</b>
Profit for the year		-	-	-	-	3,672.28	3,672.28
Other comprehensive income (net of tax)		-	-	-	-	9.46	9.46
Total comprehensive income for the year ended March 31, 2017		-	-	-	-	3,681.74	3,681.74
<b>Transaction with owners in their capacity as owners</b>							
Transfer from retained earnings to General Reserve		-	-	373.20	-	-373.20	-
Final Dividend		-	-	-	-	-548.58	-548.58
Tax on Final Dividend		-	-	-	-	-111.68	-111.68
Interim Dividend		-	-	-	-	-603.51	-603.51
Tax on Interim Dividend		-	-	-	-	-122.86	-122.86
Gain on deemed dilution of ownership interest		-	-	-	-	95.04	95.04
<b>Balance as at March 31, 2017</b>		<b>30.00</b>	<b>477.92</b>	<b>2,094.28</b>	<b>23.29</b>	<b>14,675.58</b>	<b>17,301.07</b>
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		-	-	-	-	4,806.05	4,806.05
<b>Transaction with owners in their capacity as owners</b>							
Final Dividend		-	-	-	-	-329.15	-329.15
Tax on Final Dividend		-	-	-	-	-67.01	-67.01
Interim Dividend		-	-	-	-	-603.51	-603.51
Tax on Interim Dividend		-	-	-	-	-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>

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 19, 2018

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

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

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

**Paras J Viramgama**  
Company Secretary

**CONSOLIDATED STATEMENT OF CASH FLOW for the year ended March 31, 2018**

(Rs. in Lacs)

	Particulars	For the year ended March 31, 2018	For the year ended March 31, 2017
<b>A.</b>	<b>Cash flow from operating activities</b>		
	<b>Net profit before taxation</b>	7,113.32	5,577.35
	Adjustment for:		
	Add:-		
	Provision for doubtful debts	52.75	19.08
	Depreciation & Impairment	526.21	528.41
	Loss/(Profit) on sale of fixed assets	2.00	-4.42
	<b>Sub Total</b>	<b>580.96</b>	<b>543.07</b>
	Less:		
	Share of Profit from Associate	-170.36	32.45
	Profit on redemption/Revaluation of Mutual Fund	-202.49	-218.68
	Interest received on Fixed Deposits	-7.81	-8.29
	Profit on Sale of Investment	-0.03	-
	Unrealised Foreign Exchange Gain/(Loss)	-6.43	-15.13
	<b>Sub Total</b>	<b>-387.13</b>	<b>-209.65</b>
	<b>Operating Profit before working capital changes</b>	<b>7,307.16</b>	<b>5,910.77</b>
	<u>Movements in working capital:</u>		
	Decrease/-Increase in Trade Receivable	-3,148.74	2,864.61
	Decrease/-Increase in Inventories	-980.13	-151.06
	Decrease/-Increase in Loans and other Assets	-143.54	277.11
	Increase/-Decrease in Trade Payables	1,343.49	-3.48
	Increase/-Decrease in Liabilities/provisions	551.99	166.34
	Total Movement in Working Capital	-2,376.92	3,153.52
	Cash generated from operations	4,930.24	9,064.29
	Direct taxes paid (net of refunds)	-2,319.69	-1,953.12
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,610.54</b>	<b>7,111.17</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Purchase of fixed assets	-684.99	-821.23
	Proceeds from sale of fixed assets	6.26	12.95
	Proceeds from sale of Investment	0.07	-
	Purchase of Mutual Fund	-57,120.00	-47,088.50
	Proceeds from sale of Mutual Fund	54,377.48	45,718.36
	(Increase)/decrease in Other Bank Balance	35.09	-51.56
	Investment in Associate Company	-540.00	-682.40
	Interest received on Fixed Deposits	7.81	8.30
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>-3,918.28</b>	<b>-2,904.08</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Dividend paid	-932.66	-1,152.09
	Tax on dividend paid	-189.87	-234.54
	<b>NET CASH FLOW FROM FINANCING ACTIVITIES</b>	<b>-1,122.52</b>	<b>-1,386.63</b>
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>-2,430.26</b>	<b>2,820.46</b>





## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2018

1.1 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 Limited Includes Sanand Home Finance Limited as subsidiary.

1.2 These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. The financial statements up to year ended March 31, 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act. These financial statements are the first financial statements of the Company under Ind AS. refer note 1.4 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows. 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.

### 1.3 Accounting policies applicable in Consolidated Financial Statements

- 1.3.1 The Company combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated.
- 1.3.2 Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post-acquisition profits or losses of the investee in profit and loss, and the Company's share of other comprehensive income of the investee in other comprehensive income.
- 1.3.3 Khushbu Auto Finance Limited is Non Banking Financial Company and as per Rule 4(1)(iv) of The Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian Accounting Standards) (Amendment) Rules, 2016 companies (Indian accounting standards) rules, NBFCs shall comply with the Indian Accounting Standards (Ind AS) for accounting periods beginning on or after the 1st April, 2018, with comparatives for the periods ending on March 31, 2018, or thereafter but as per explanation to Rule 4(1)(iv) of Companies (Indian Accounting Standards) Rules, 2015 read with Companies (Indian

Accounting Standards) (Amendment) Rules, 2016 such companies need to provide relevant financial statement data which is in accordance accounting policies followed by parent company. Consolidation of Khushbu Auto Finance Limited is made on the basis of relevant financial statement data provided by 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.

### 1.4 First-time adoption of Ind AS

#### 1.4.1 Transition to Ind AS

These are the Company's first consolidated financial statements prepared in accordance with Ind AS. The accounting policies set out in note 1 of standalone financial statements have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2016 (the Company's date of transition). In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

#### 1.4.2 Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

### Impact of Ind AS adoption on the Statement of Cash Flows for the year ended March 31, 2017

There are no material adjustments of transition to the Statement of Cash Flows to conform to Ind AS presentation for the year ended March 31, 2017.

## Reconciliation of Equity as on March 31, 2017 &amp; as at date of Transition

(Rs. in Lacs)

Particulars	Note to first time Adoption	As at March 31, 2017			As at April 01, 2016		
		Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS Balance Sheet
<b>ASSETS</b>							
<b>(1) Non-current assets</b>							
(a) Property, Plant and Equipment	2	8,714.83	-96.91	8,617.92	8,460.13	-36.98	8,423.15
(b) Capital work-in-progress		315.79	-	315.79	286.20	-	286.20
(c) Investment Property	2	-	96.91	96.91	-	-	-
(d) Goodwill		-	-	-	-	-	-
(e) Other Intangible Assets		-	-	-	-	36.98	36.98
(f) Intangible assets under development	-	-	-	-	-	-	-
(g) Biological Assets other than bearer plants		-	-	-	-	-	-
(h) Financial Assets		-	-	-	-	-	-
(i) Investments		692.33	62.44	754.78	0.03	11.77	11.81
(ii) Other Financial Assets	1	259.41	-253.15	6.26	380.93	-380.93	-
(i) Income Tax Assets (Net)		-	84.69	84.69	-	98.51	98.51
(j) Other non-current assets		137.60	76.50	214.09	89.68	192.75	282.42
<b>(2) Current assets</b>							
(a) Inventories		3,623.37	-	3,623.37	3,472.31	-	3,472.31
(b) Financial Assets		-	-	-	-	-	-
(i) Investments	1	-	1,588.82	1,588.82	-	-	-
(ii) Trade Receivables	8	4,776.52	-57.81	4,718.71	7,634.58	-38.73	7,595.85
(iii) Cash and cash equivalents	1	5,710.25	-1,630.94	4,079.31	1,282.50	-32.23	1,250.27
(iv) Other Bank balances		-	173.46	173.46	-	121.90	121.90
(v) Loans		197.68	-192.32	5.36	391.78	-380.10	11.68
(vi) Others Financial Assets		-	18.04	18.04	-	13.02	13.02
(d) Other current assets		32.50	174.28	206.78	53.41	367.09	420.50
<b>Total Assets</b>		<b>24,460.27</b>	<b>44.01</b>	<b>24,504.28</b>	<b>22,051.55</b>	<b>-26.95</b>	<b>22,024.59</b>
<b>EQUITY AND LIABILITIES</b>							
<b>EQUITY</b>							
(a) Equity Share Capital		1,120.45	-23.29	1,097.16	1,120.45	-23.29	1,097.16
(b) Other Equity	3	16,860.33	440.73	17,301.07	14,240.92	670.00	14,910.92
<b>LIABILITIES</b>							
<b>(1) Non-current liabilities</b>							
(a) Financial Liabilities		-	-	-	-	-	-
(i) Borrowings		-	-	-	-	-	-
(ii) Trade Payables		-	-	-	-	-	-
(iii) Other financial liabilities		-	-	-	-	-	-
(b) Provisions		117.97	-	117.97	50.62	-	50.62
(c) Deferred tax liabilities (Net)	7	538.73	-21.79	516.94	497.24	-13.40	483.83
(d) Other non current liabilities		-	-	-	-	-	-
<b>(2) Current liabilities</b>							
(a) Financial Liabilities		-	-	-	-	-	-
(i) Trade Payables		3,596.28	-	3,596.28	3,599.75	-	3,599.75
(ii) Other financial liabilities	6	-	883.31	883.31	-	958.74	958.74
(b) Other current liabilities	6	1,613.14	-868.46	744.68	1,391.64	-958.74	432.91
(c) Provisions	3	613.37	-366.50	246.88	1,150.93	-749.16	401.76
(d) Current Tax Liability		-	-	-	-	88.91	88.91
<b>Total Equity and Liabilities</b>		<b>24,460.27</b>	<b>44.01</b>	<b>24,504.28</b>	<b>22,051.55</b>	<b>-26.95</b>	<b>22,024.59</b>

## Reconciliation of Total Comprehensive Income for the year ended March 31, 2017

(Rs. in Lacs)

Particulars	Note to First Time Adoption	As per Previous GAAP	Adjustments	As per IND AS
<b>INCOME FROM OPERATIONS</b>				
(a) Gross Sales		52,878.64	-	52,878.64
(b) Other Operating Income		312.79	-	312.79
<b>TOTAL Revenue from Operation</b>		<b>53,191.43</b>		<b>53,191.43</b>
Other Income		251.60	5.15	246.46
<b>TOTAL INCOME</b>		<b>53,443.03</b>	<b>5.15</b>	<b>53,437.89</b>
<b>EXPENSES</b>				
(a) Cost of materials consumed		34,615.49	-	34,615.49
(b) Purchase of Stock in trade		39.17	-	39.17
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade		-86.16	-	-86.16
(d) Excise Duty		5,658.75	-	5,658.75
(e) Employee benefits expenses	5	3,903.53	-17.56	3,921.09
(f) Finance Costs		57.97	-	57.97
(g) Depreciation and amortisation expenses		528.41	-	528.41
(h) Other expenses	8	3,074.32	19.05	3,093.37
<b>TOTAL EXPENSES</b>		<b>47,791.48</b>	<b>1.49</b>	<b>47,828.09</b>
<b>Profit before exceptional items</b>		<b>5,651.55</b>	<b>41.75</b>	<b>5,609.80</b>
Exceptional items		-	-	-
<b>Profit Before tax</b>		<b>5,651.55</b>	<b>41.75</b>	<b>5,609.80</b>
<b>Tax expenses</b>		<b>1,919.52</b>	<b>14.45</b>	<b>1,905.07</b>
(a) Current Tax		1,878.03	-	1,878.03
(b) Deferred tax		41.49	14.45	27.04
<b>Profit for the period</b>		<b>3,732.04</b>	<b>27.30</b>	<b>3,704.73</b>
(a) Share in Net profit & (loss) of associate	3CBS	-24.16	8.29	-32.45
(b) Profit on account of partial dilution of stake in associate	3CBS	76.91	76.91	-
<b>Profit for the period</b>		<b>3,784.78</b>		<b>3,672.28</b>
Other Comprehensive Income, Net of Tax	5 & 9	-	-9.46	9.46
<b>Total Comprehensive Income for the period</b>		<b>3,784.78</b>	<b>26.14</b>	<b>3,681.74</b>

## Reconciliation of Other Comprehensive Income as on March 31, 2017

(Rs. in Lacs)

Particulars	Note to First -time Adoption	For the Year 2016-17
Net profit after tax as reported under previous GAAP		3,784.78
Less: Provision for expected credit loss in trade receivable	8	-24.23
Add: Deferred Tax on above adjustment		8.39
Less: Actuarial Gain/(Loss) on Gratuity transfer to other comprehensive income	5	-17.52
Add: Deferred Tax on above adjustment Actuarial Gain/(Loss) on Gratuity		6.07
Less : Change in share of profit /(loss) of Associate	3CBS	-8.29
Less :Gain on deemed disposal of ownership interest in Associate	3CBS	-76.91
Profit for FY 16-17 as per Ind AS		3,672.28
Other Comprehensive Income		9.46
Total comprehensive income as per Ind AS		<b>3,681.74</b>

**Reconciliation of Total Equity as at March 31, 2017 and as at date of Transition**

(Rs. in Lacs)

Particulars	Note to first-time doption	March 31, 2017	April 01, 2016
Total Equity (shareholder's funds) as reported under previous GAAP		17,980.78	15,361.37
Ind-AS adjustments increasing/(decreasing) equity as reported under previous GAAP:			
Proposed Dividend	9	329.15	548.58
Tax on Proposed Dividend		67.01	111.68
Ind AS Adjustment of Associate	3CBS	62.44	11.77
Provision for expected credit in Trade Receivable	8	-62.96	-38.73
Deferred Tax on Provision for expected credit loss in trade Receivable		21.79	13.40
Total Adjustment		417.43	646.71
<b>Total Equity as per Ind AS</b>		<b>18,398.21</b>	<b>16,008.08</b>

Please refer Note to first time adoption as mentioned in Standalone Financial Statements when 'Note to first time adoption' is mentioned in above tables of reconciliation.

- 2 The accounting policies, notes and disclosures made by the parent are best viewed in its standalone financial statements to which these consolidated financial statements are attached. Accounting policies specifically related to consolidated financial statements are mentioned in note 1. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.

**3 Notes to first time adoption**Change in Share of Profit / (loss) in Associate

On the date of transition, Associate's previous GAAP net worth was considered for equity method of accounting. Under Ind AS, the share of net worth and profit under Ind AS is considered for the purpose of consolidation.

Gain on deemed dilution of ownership interest

Under previous GAAP gain on deemed dilution of ownership interest is recognized in consolidated Profit & Loss statement however in Ind AS such should be transfer to other Comprehensive Income.

**Note - 4 Investment**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
<u>Trade Investments (Valued at cost unless stated otherwise)</u>			
Investment in Equity Instrument (Quoted) 310 shares in Suzlon Energy Limited of Rs. 2 each (market value as at 31/03/2017 is Rs. 5,921/- (PY Rs. 4,386/-) (At cost less provision for other than temporary diminution of Rs. 28,179/- (PY 28,179/-))	-	0.03	0.03
Extent of Holding	less than 1%	less than 1%	less than 1%
Investment in Associates (Unquoted) 91,20,000 (previous year 22,96,000) equity shares of Rs. 10 each in Khushbu Auto Finance Limited	1,464.07	754.74	11.77
Extent of Holding	30.00%	30.00%	49.91%
Aggregate amount of quoted investment	-	0.03	0.03
Aggregate amount of unquoted investment	1,464.07	754.74	11.77
<b>Total Non Current Investment</b>	<b>1,464.07</b>	<b>754.78</b>	<b>11.81</b>

**Note - 4 Investment (Contd.)**

(Rs. in Lacs)

Particulars		March 31, 2018	March 31, 2017	April 01, 2016
<b>Investment in Mutual Fund</b>				
Investment carried at fair value through Profit & Loss				
<u>Quoted</u>	<u>Units</u>			
Reliance Gilt Securities Fund [Growth]	10,82,828.81	-	247.48	-
HDFC Gilt Fund Long Term Plan [Direct]	2,87,176.56	-	98.55	-
Taurus Liquid Fund-Direct [Growth]	18,269.95	-	298.67	-
Kotak Gilt Investment Regular [Growth]	1,82,045.79	-	106.98	-
DSP Blackrock Liquidity Fund-Direct [Growth]	12,094.24	300.58	-	-
ICICI Prudential Long Term Gilt Fund [Growth]	4,16,292.04	-	243.14	-
ICICI Prudential Long Term [Growth]	9,59,651.45	-	199.20	-
Franklin India Government Securities Fund- Ltp	4,87,894.75	-	196.81	-
JM High Liquidity Fund [Growth]	5,26,367.71	250.41	-	-
JM Money Manager Super Plus Plan [Growth]	11,50,110.65	286.31	-	-
Birla Sun Life Cash Plus - Direct Plan [Growth]	71,737.98	200.37	-	-
IDBI Liquid Fund [Growth]	13,458.69	250.40	-	-
Franklin India Ultra Short Term Bond-Super Ip[Gr]	12,86,947.58	310.68	-	-
Indiabulls Liquid Fund-Growth	14,746.33	250.43	-	-
Kotak Low Duration Fund [Growth]	4,575.13	100.23	-	-
Tata Ultra Short Term Fund [Growth]	4,781.65	127.05	-	-
Tata Money Market Fund- Liquid	9,148.75	250.53	-	-
Religare Invesco Liquid Fund [Growth]	10,470.05	250.45	-	-
DSP Blackrock Ultra Short Term Fund-[Growth]	10,03,378.44	127.93	-	-
Birla Sun Life Floating Rate Short Term Fund	1,08,018.51	250.59	-	-
Birla Sun Life Saving Fund	45,216.84	155.51	-	-
Kotak Floater Short Term Fund [Growth]	3,511.33	100.14	-	-
ICICI Prudential Liquid Fund [Growth]	66,248.00	170.35	-	-
ICICI Prudential Money Market Fund-Growth [Liquid]	1,04,158.06	250.46	-	-
SBI Magnum Insta Cash Fund [Growth]	2,606.46	100.17	-	-
Essel Liquid Fund- Growth	13,077.63	250.24	-	-
Axis Liquid Fund	10,393.70	200.34	-	-
Tata Liquid Fund	3,125.48	100.13	-	-
SBI Magnum Gilt Fund-Ltp-Growth	5,27,931.54	-	197.99	-
Sundaram Money Fund	6,83,842.80	250.53	-	-
<b>Total Current Investment</b>		<b>4,533.83</b>	<b>1,588.82</b>	<b>-</b>
<b>Total Investment</b>		<b>5,997.90</b>	<b>2,343.60</b>	<b>11.81</b>

**Note - 5 Cash & Cash Equivalent**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
Cash on Hand	1.17	11.78	1.82
Balances with Bank			
In Current Accounts	1,647.47	4,066.51	1,022.70
Cheques on Hand	0.01	1.02	225.75
<b>Total Cash &amp; Cash Equivalent</b>	<b>1,648.65</b>	<b>4,079.31</b>	<b>1,250.27</b>

**Note - 6 Other Equity**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017	April 01, 2016
<b>(a) Capital Reserves</b>	<b>30.00</b>	<b>30.00</b>	<b>30.00</b>
<b>(b) Share Premium Account</b>	<b>477.92</b>	<b>477.92</b>	<b>477.92</b>
<b>(c) General Reserve</b>			
Balance as at the beginning of the year	2,094.28	1,721.07	1,247.06
Add: Transferred from retained earnings	-	373.20	474.01
Closing balance	2,094.28	2,094.28	1,721.07
<b>(d) Retained Earning</b>			
Balance at the beginning of the year	14,675.58	12,658.64	
Total Comprehensive Income	4,806.05	3,681.74	
Final Dividend	-329.15	-548.58	
Tax on Final Dividend	-67.01	-111.68	
Interim Dividend	-603.51	-603.51	
Tax on Interim Dividend	-122.86	-122.86	
Gain on deemed dilution of ownership interest	-	95.04	
Transfer to General Reserve	-	-373.20	
<b>Balance in Retained Earning</b>	<b>18,359.11</b>	<b>14,675.58</b>	<b>12,658.64</b>
<b>(e) Share Forfeiture</b>	<b>23.29</b>	<b>23.29</b>	<b>23.29</b>
<b>Total Other Equity</b>	<b>20,984.60</b>	<b>17,301.07</b>	<b>14,910.92</b>

**Note - 7 Other Expenses**

(Rs. in Lacs)

Particulars	2017-18	2016-17
(Increase)/Decrease of Excise Duty on Finished Goods	-121.76	11.84
Repairs to Buildings	127.09	39.58
Repairs to Machinery	211.26	134.05
Research & Development Expenses	322.21	20.21
Windmill Operation Charges	9.38	8.05
Power & Fuel	316.63	278.09
Vehicle Expenses	136.68	102.03
Advertising & Sales Promotion	573.50	682.61
Freight & Forwarding Expenses	539.98	385.06
Travelling & Conveyance	525.44	404.23
Warranty & After Sales Services	411.00	303.97
Auditor's Remuneration	6.19	18.12
Communication Cost	37.59	41.53
Directors' Sitting Fees	5.87	4.99
Donation	65.18	43.73
Exchange Rate Difference	-4.90	7.20
Insurance	32.68	37.48
Legal & Consultancy Charges	104.90	46.35
Office Admin Expenses	77.03	67.83
Other miscellaneous expenses	86.81	62.06
Printing & Stationary	32.61	36.26
Rates and Taxes	19.83	92.61
Rent	68.14	55.96
Provision for Doubtful Debt	52.75	19.08
Repairs to Others	195.15	190.46
Loss on risk sharing arrangement	78.88	-
<b>Total Other Expenses</b>	<b>3,910.14</b>	<b>3,093.37</b>

**Note - 8 Earning Per Share**

(Rs. in Lacs)

Particulars	2017-18	2016-17
Net profit as per statement of Profit & Loss	4,789.20	3,672.28
No. of Shares (Face value of Rs.5/- each)	2,19,43,200	2,19,43,200
<b>Earning Per Share</b>	<b>21.83</b>	<b>16.74</b>

**Note - 9 Contingent Liabilities Not Acknowledged As Debt**

(Rs. in Lacs)

Particulars	March 31, 2018	March 31, 2017
Sales Tax	27.41	27.41
Excise Duty	16.82	16.82
Service Tax	-	55.56
Income Tax	199.74	210.91
Case Pending before Consumer Forum	35.25	23.69
Case filed by investor for non allotment of Right Issue Shares	13.46	13.46
Pending C form	289.34	1,202.06
Outstanding Amount of loans in books of Associate company for which Guarantee is given to Bank on behalf of an Associate	8,111.96	-
Amount of Guarantee is Rs.15,000 lacs in FY 2017-18 & Rs.5,000 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>8,693.97</b>	<b>1,549.91</b>

**Note - 10 Other Notes**

Previous year figures are regrouped, re arranged & re casted wherever necessary.

# 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

30th Annual General Meeting - Friday, September 28, 2018

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:
Or falling him	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company to be held on Friday, September 28, 2018 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:



Resoluti on No	Resolution Particulars	Vote (Optional see note 4) (Please mention no of shares)		
		For	Against	Abstains
Ordinary Business				
1	Adoption of Audited Standalone and Consolidated Financial Statements of the Company for the year ended on March 31, 2018 and the reports of the Board of Directors thereon and Auditors thereto.			
2	Declaration of Final Dividend at Rs. 2.50 per equity share for the financial year ended March 31, 2018			
3	Reappointment of Mr. Mahendra J Patel, who retires by rotation			
Special Business				
4	Reappointment/ Extension of term of Ms. Margie Parikh as Independent Director of the Company			
5	Reappointment & Revision in remuneration of Mr. J J Chandra as Chairman and Managing Director			
6	Reappointment & Revision in remuneration of Mr. Mahendra J Patel as Whole-time Director & CFO			
7	Reappointment & Revision in remuneration of Mr. Niraj J Chandra as Whole-time Director			
8	Approval to deliver document through a particular mode as may be sought by the member			
9	To authorize Board of Directors to provide loan, give guarantee and make Investment under section 186 of the Companies Act, 2013			

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

Affix  
Revenue  
Stamp  
of Re.1/-

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

## 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.

# 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

30th Annual General Meeting - Friday, September 28, 2018

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

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

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

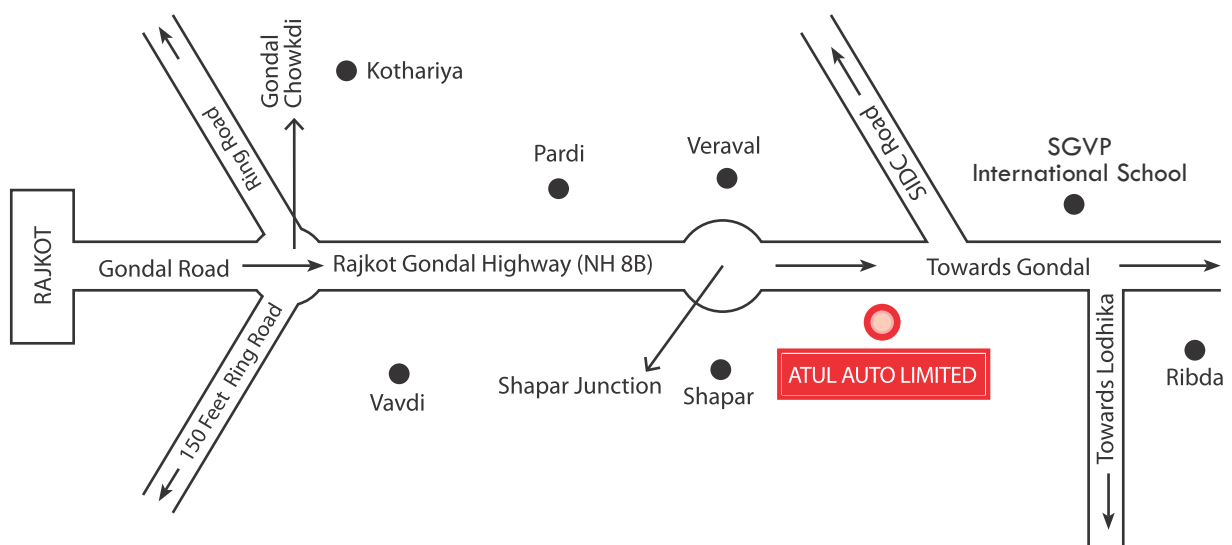
No of shares : \_\_\_\_\_

I hereby record my presence at the 30th Annual General Meeting of the Company on Friday, September 28, 2018 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.

## ROUTE MAP





# Global Dealer Meet 2018

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