



October 02, 2017

Ref. ATULAUTO/SEs/AnnualReport2016-17/29thAGM

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: Annual Report FY 2016-17 as per regulation 34(1) of the SEBI (LODR) Regulations, 2015

This is to inform the stock exchanges that 29th Annual General Meeting ("AGM") of the Company was held on Friday, September 29, 2016 at 11:00 AM at the registered office of the Company.

As required under regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are sending herewith approved and adopted Annual Report containing the Notice of AGM, Directors' Report, Report on Corporate Governance, Auditors' Report and Financial Statements for the year ended on 31st March, 2017 etc.

Please take the same on your records.

Thanking you.

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 666000 Fax: 02827 666029 Website: www.atulauto.co.in E-Mail: info@atulauto.co.in



GEARED UP FOR GROWTH

ATUL AUTO LIMITED
ANNUAL REPORT 2016-17

www.atulauto.co.in



It's not enough what you have done, but what you keep doing that matters. Leaving behind a trail of success, milestones and landmarks that inspire the next generation of achievements.

GEARED UP FOR GROWTH

Since many years Atul has been a trailblazer in the 3Wheeler auto category. Over the last 7 years we have clocked consistently higher than average industry growth. This year we are reassessing our growth strategy in line with developments in auto industry, the move of economy and policy of the government. We are creating a stronger distribution network towards pan India presence and exploring our reach in foreign countries to become a truly global player. We are also creating a greater push towards the urban markets by introducing a new range of electric vehicles besides our Diesel, Petrol, LPG and CNG variants in addition to rural and semi urban markets.

As the years go by we are accelerating ahead with the same passion and perseverance to go bravely into a brighter future.



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AT A GLANCE



Packed with uncertainty and unprecedented surprises, this year brought its share of challenges and opportunities on the domestic as well as in the international fronts. But if the times were tough, we were tougher.

Though the Company has consistently outperformed the industry in the last seven years, FY2017 was the only year when the Company could not maintain its growth momentum. This was on account of slow GDP growth rate, panic over substantial NPA in banking system and the sheer scale and swiftness with which the Indian Government demonetized almost 86% of the currency notes in circulation.

Despite of such unfavorable circumstances, the Company has recorded the Profit After Tax of Rs.37.30 Cr. The Company also made a notable progress in international market by exporting 2288 vehicles in FY17, a big leap from 1532 vehicles last year.

More than the volume growth, the appealing factor is acceptance of newly introduced gasoline 3Wheelers in overseas market.

The company has also developed a 3Wheeler run by electric energy. With these e-vehicles, the Company feels proud to present itself as the only recognized player in the 3Wheeler industry in India having complete range of 3Wheelers whether it is Passenger or Goods Carrier or Customized; Diesel, Petrol, CNG, LPG or Electric fueled; 0.35 tons or 0.50 tons capacity; Fitted with Rear Engine or Front Engine.



Even with the challenges of the year, the Company achieved BS IV compliant manufacturing set up, upgraded the products in the niche market, launched electric vehicles, emerged as the only player with complete range of 3Wheeler products in the basket and had strong tax compliance system ready to move with GST regime.

38795 vehicles

Total sales during the year decreased from 43893 to 38795 units

5037 vehicles

No. of vehicles sold in October 2016, Highest ever monthly sales

No.1 position

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

INR 1024.64 Cr

market cap
Market Capitalization as on March 31, 2017

320 Touch-points

Total 320 Touch-points Pan-India (200 Primary Dealers and 120 Sub-Dealers)

E-Rickshaw launched

Launched electric three wheeler towards objective of green India

64.97% utilization

Production Capacity utilized in FY17



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.



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
350 KG PAYLOAD CAPACITY



ATUL ELITE
DELIVERY VAN
MOTOR POWER 850/1000 W
350 KG PAYLOAD CAPACITY



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 gain access to major export markets across the globe.



Board of Directors

Jayantibhai J Chandra
Chairman and Managing Director

Mahendrakumar 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



CORPORATE INFORMATION

Statutory Auditors

Maharishi & Co.
Chartered Accountants

Company Secretary and Compliance Officer

Paras J. Viramgama

Registered Office & Manufacturing Facility

Survey No. 86, Plot No. 1-4
8B National Highway
Near Microwave Tower
Shapar (Veraval)
Dist. Rajkot, Gujarat, India 360024
Phone: 02827-666 000
E-Mail: investorrelations@atulauto.co.in/
info@atulauto.co.in
Website: www.atulauto.co.in

Registrars & Share Transfer Agent

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

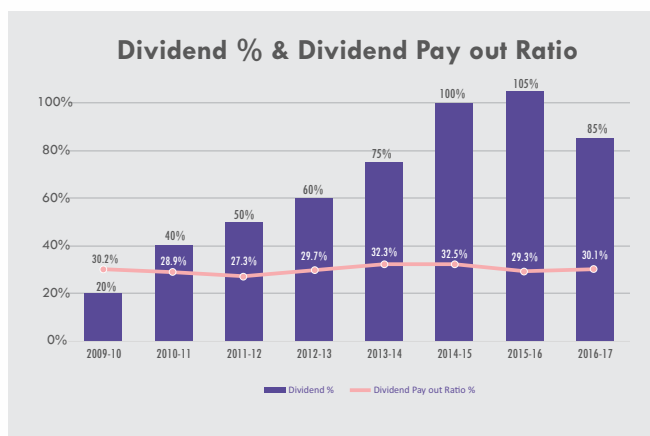
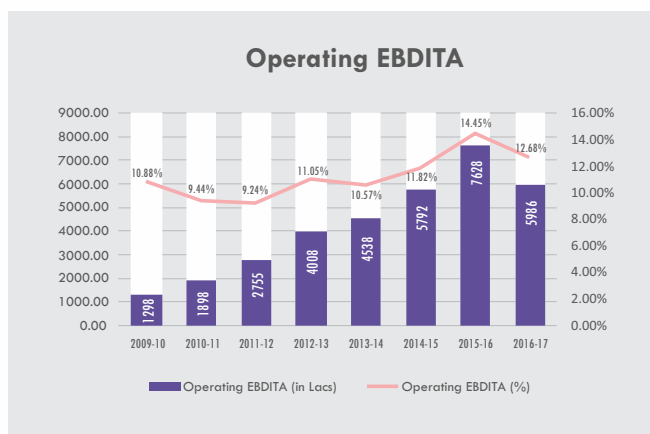
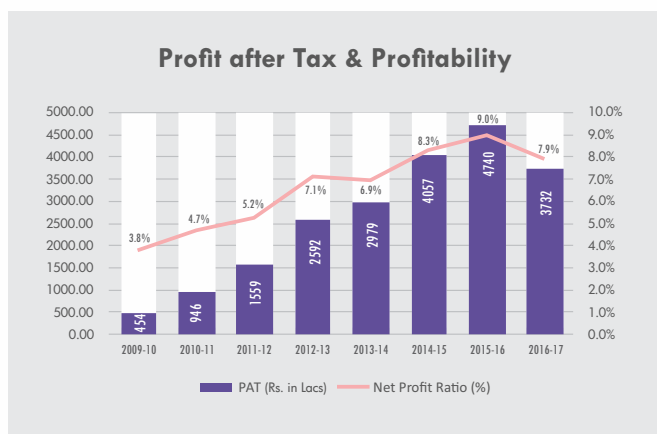
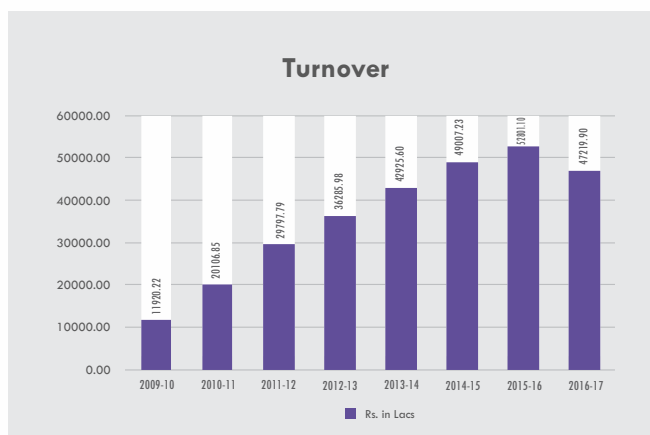
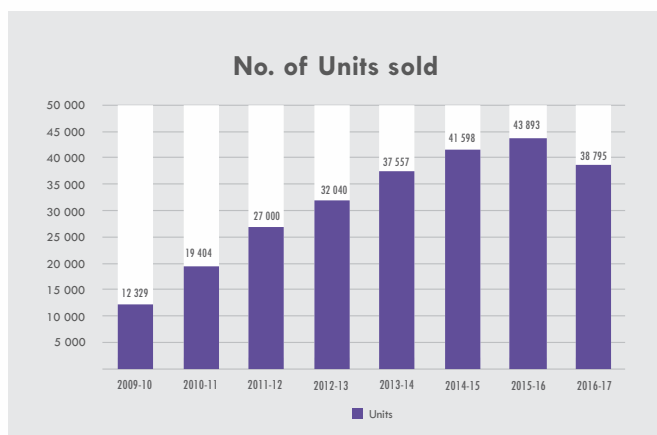
Bankers

IDBI Bank Limited

Stock Exchanges

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

OUR FINANCIAL SCORECARD



A HISTORIC PERSPECTIVE OF THE COMPANY

(Rs. in Lacs)

Particulars	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
No. of Units sold	12 329	19 404	27 000	32 040	37 557	41 598	43 893	38 795
Total Revenue	12107.65	20266.32	29941.53	36581.66	43305.91	49866.11	53235.73	47784.29
Turnover	11920.22	20106.85	29797.79	36285.98	42925.60	49007.23	52801.10	47219.90
Profit before tax (PBT)	715.02	1406.27	2324.49	3722.01	4274.85	5925.39	7152.59	5651.55
Profit before tax (%)	6.00%	6.99%	7.80%	10.26%	9.96%	12.09%	13.55%	11.97%
Profit after tax (PAT)	453.87	942.68	1559.03	2591.91	2979.47	4057.11	4740.03	3732.04
Net Profit Ratio	3.8%	4.7%	5.2%	7.1%	6.9%	8.3%	9.0%	7.9%
Operating EBDITA (in Lacs)	1297.49	1897.95	2754.68	4008.43	4538.23	5792.34	7628.43	5986.33
Operating EBDITA (%)	10.88%	9.44%	9.24%	11.05%	10.57%	11.82%	14.45%	12.68%
Paid up Share Capital (Equity)	585.15	585.15	731.44	1097.16	1097.16	1097.16	1097.16	1097.16
Free Reserves & Surplus	2726.22	3397.32	4823.88	6279.90	8296.66	10956.24	14309.65	16919.16
Debt	2317.16	600.00	388.65	0.00	0.00	0.00	0.00	0.00
Equity / Shareholders' Fund	3311.37	3982.47	5555.32	7377.06	9393.82	12053.40	15406.81	18016.32
Earnings per Share (Face Value Rs. 5)	2.6	5.4	8.3	11.8	13.6	18.5	21.6	17.0
Dividend %	20%	40%	50%	60%	75%	100%	105%	85%
Dividend Pay out Ratio	30.2%	28.9%	27.3%	29.7%	32.3%	32.5%	29.3%	30.1%
Market Capitalization	2619	6788	8393	16238	39459	122125	113359	102464
No of units produced	12 379	19 321	27 563	32 013	37 447	41 565	44 232	38 981
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%

OUR MANAGEMENT TEAM



J J Chandra
Chairman & Managing Director



M J Patel
Whole time Director & CFO



Niraj J Chandra
Whole time Director



Hakubhai Lalakiya
Independent Director



Hasmukh Adhvaryoo
Independent Director



A Padmanabhan
Mentor



Dr. Vijay K Kedia
Non-Executive Director



CA Hemantkumar Bhatt
Independent Director



Dr. Margie S. Parikh
Independent Director



J V Adhia
President - Accounts & Finance



P Zachariah
President - Sales & Marketing

CHAIRMAN'S LETTER



Dear Shareholders,

Although the uncertainty is an integral part of economy and business, when it is coupled with unprecedented surprises, it makes the life of any business house, a little tough. At the same time, such uncertainty comes with its share of challenges and opportunities. The last year was full of excitement at both fronts, domestically as well as in the international market where the Company operates. Let me take this opportunity to take you through the key highlights of the growth of the economy, developments in 3Wheeler industry and the performance of the Company in the financial year 2016-17.

The economy was not so sparkling on account of slow GDP growth rate, panic over substantial NPA in banking system which affected negatively to long term advances by the Banks etc. Still the 3Wheeler industry grabbed the positive momentum and by October 2016, the growth rate reached to 11.84%. This led me to believe in the strength of the industry. But the sheer scale and swiftness with which the Indian Government demonetised almost 86% of the currency notes in circulation in

November 2016, the fate of the industry changed utterly and the numbers fell to -27.06% during November 2016 to March 2017 resulting in overall degrowth of the 3 Wheeler industry by 5%.

Though the Company has consistently outperformed the industry in last seven years, FY2017 was the only year when the Company could not maintain its growth momentum. Despite of such unfavorable circumstances, the Company has recorded the profit after tax of Rs.37.30 Cr. The Company sold 38,795 vehicles during the year which is 11.61% lower than last year. The operating revenue declined by 10.49% to Rs.475.33 Cr and the Profit Before Tax (PBT) remains Rs.56.52 Cr in compare to Rs.71.53 Cr last year. The cash and cash equivalents increased to Rs.57.10 Cr which was Rs.12.82 last year. The reserve and surplus reached to Rs.169.49 Cr as on March 31, 2017 which was Rs.143.40 as on March 31, 2016.

I am delighted to share that the Company made a notable progress in international market by exporting 2,288 vehicles in FY17, a big leap from 1,532 vehicles last year. More than the volume growth, the appealing factor is acceptance of newly introduced gasoline

3Wheeler in overseas market. This could not be possible without dedicated efforts when the global economy was confronting with the negative forces, since the export market has observed sharp decline of 32.77% in the year due to continuing economic and political uncertainties and currency as well as balance of payment crisis.

While the market potential is as large as domestic market, I am very much confident about the performance of the Company going ahead in international market as the long awaited cyclical recovery in manufacturing and trade is currently underway with support from buoyant financial markets worldwide.

With the aim of equipped with all the three wheeler products in the company's basket, the Company has developed 3Wheeler run by electric energy. These e-vehicles are available in the selective market from November 2016 in Passenger as well as Goods Carrier segment. With the launch of e-vehicles, the Company feels proud to present itself as the only recognized player in the 3Wheeler industry in India having complete range of 3Wheeler whether it is Passenger or Goods Carrier or Customized; Diesel, Petrol, CNG, LPG or Electric driven; 0.35 tons or 0.50 tons capacity; Fitted with Rear Engine or Front Engine.

The implementation of Government policies are going to play vital role in coming year. The key event of the coming year is Goods and Services Tax (GST) implementation which will affect the economy, the industry and the operations of the Company. The new financial year has started on an encouraging note with the Government's intention to implement the GST from the second quarter of the financial year. GST is being looked at as the single biggest indirect tax reform and is poised to push India's economic growth forward by creating a single national market and enhancing the efficiency of inter-state movement of goods and services. The Company is all equipped to move with this new era of indirect taxation.

Company made a notable progress in international market by exporting 2288 vehicles in FY17, a big leap from 1532 vehicles last year.

Obviously, the learning curve for all was higher than one's experience; the challenges are not going to end with it. We need to keep on overcoming such obstacles and insulate the organization to the best possible extent, neutral to any unfavorable forces. With the challenges the year carried, the Company could achieve BS IV compliant manufacturing set up, upgraded the products with the niche of the market, launched electric vehicles, emerged as the only player having complete range of 3Wheeler products in the basket, strong tax compliance system ready to move with GST regime.

In the financial year 2016-17, the Company could strategically realign the pace of the growth, reaffirm the control over accelerator and prudently geared up for the growth.

I take this opportunity to thank all our stakeholders for the faith reposed in the Company and look forward to your continued support in this journey.

With best regards,



J J Chandra
Chairman and Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

Economy

The Central Statistical Organization of the Government of India estimated India's GDP growth for FY 2016-17 at 7.1%. Though it was better than developed countries and the most emerging economy of world i.e. China, it was lower than 7.9% GDP growth rate achieved in FY 2015-16. International Monetary Fund has already downgraded India's GDP growth forecast from 7.6% announced earlier to 6.6%. The slower growth was seen across the year, with the quarter level growth numbers for Q1, Q2 and Q3 being 6.9%, 6.7% and 6.6% for FY 2016-17 as compared to 7.8%, 8.4% and 7.0% for FY 2015-16.

There are various factors responsible for such lower GDP growth. The insufficient growth in investment is considered as the key reason. Gross Fixed Capital Formation as a share of GDP has fallen continuously from 31.7% in FY 2015 to 31.1% in FY 2016 to 29.2% in FY 2017. On the other side, substantial NPA in banking system has increased the panic. These affected negatively to the risk appetite of the Banks for making long term advances, in absence of which, no investment-led growth can be expected.

The sheer scale and swiftness with which the Indian Government demonetised almost 86% of the currency notes in circulation in November 2016 is considered as one of the main factor for slow growth, in addition to that the slower speed of injecting new notes caused severe cash shortage throughout the country. This cash shortage led to a strain on the consumption demand and business activity in the second half of the year.

Three Wheeler Industry

Not surprisingly, given the sluggish growth of economy and the impact of cash shortages due to demonetisation, overall three wheeler sales have been negatively affected. The three wheeler industry grew by 11.84% during April to October 2016, the pre-demonetization period. This positive growth crashed by the announcement of demonetization due to which this number fell to -27.06% during November to March 2017. Thus, the domestic three wheeler sales fall down almost 5% from 5,38,208 vehicles to 5,11,658 (Source: SIAM). There was an increase in cargo vehicle sales by 11.31% from 97,230 in FY 2016 to 1,09,624 in FY 2017, but the passenger vehicle sales decreased by 8.83% from 4,40,978 in FY 2016 to 4,02,034 in FY 2017.

The Supreme Court vide its order dated 29th March, 2017 has mandated that on and from April 1, 2017, only BS IV compliant vehicles can be sold in India by any manufacturer or dealer. The Company has streamlined the manufacturing facility to meet with BS IV norms. The inventory lying with the Dealers is expected to be upgraded.

Company Performance

Although during last seven years, the Company has consistently outperformed the industry, this was the only year when on account of difficult scenario, the Company could not maintain its growth momentum. However, it has recorded the profit after tax of Rs.37.32 Crores. The financial and operational performance of the Company can be attributed to following:

- The Company exported 2288 vehicles in FY 2017 as compared to 1532 vehicles last year.
- The number of vehicles sold declined by 11.61% to 38,795 vehicles in FY 2017
- The operating revenue declined by 10.49% to Rs.47,533 Lacs as compared to Rs.53,104 Lacs in FY 2016
- The Operating EBDITA declined by 21.53% to Rs.5,986.33 Lacs as compared to Rs.7,628.43 Lacs in FY 2016
- The operating EBDITA margin was 12.68% as compared to 14.45% in last year.
- The profit before tax (PBT) declined by 21% to Rs.5,652 Lacs as compared to Rs.7,153 Lacs in FY 2016
- Cash and Cash Equivalents increased to Rs.5710 Lacs as on 31st March, 2017 as compared to Rs.1282 Lacs as on 31st March, 2016

The Chart A shows the domestic 3Wheeler industry performance vis-à-vis performance of the Company.

The Chart B shows the Cargo 3Wheeler industry performance vis-à-vis performance of the Company.

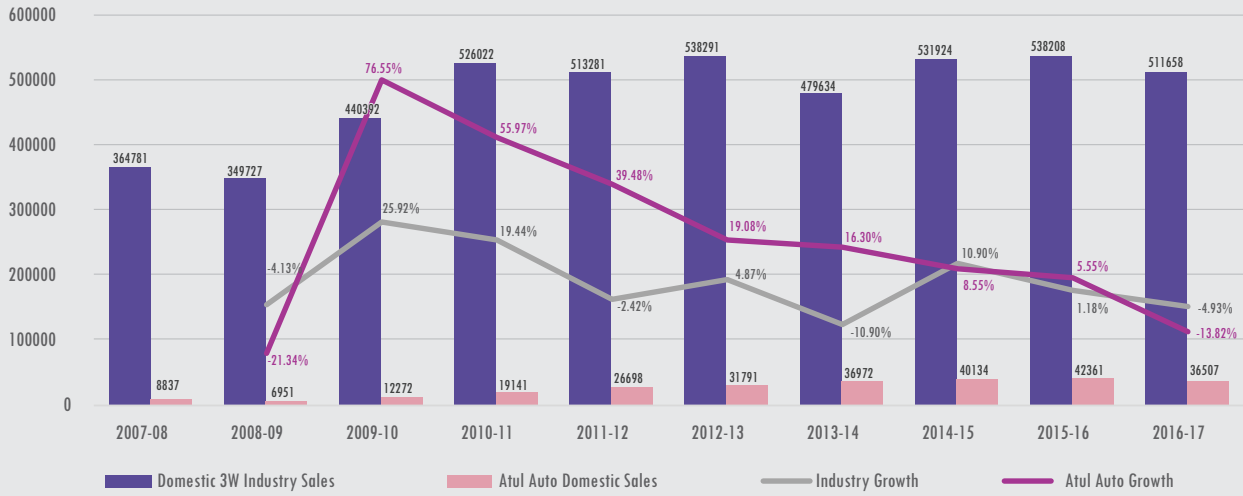
The Chart C shows the Passenger 3Wheeler industry performance vis-à-vis performance of the Company.

Emission norms change from BS III to BS IV and its impact

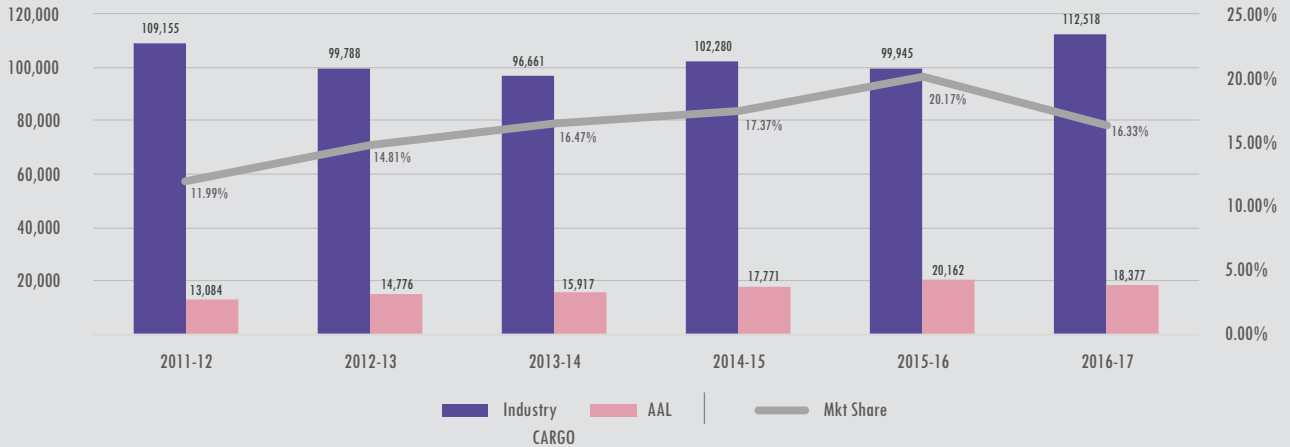
The Supreme Court vide its order dated 29th March, 2017 has mandated that on and from April 1, 2017, only BS IV compliant vehicles can be sold in India by any manufacturer or dealer. As a responsible corporate citizen, our Company had already migrated to BS IV regime well before the deadline given by the law. However, a small part of the inventory lying with the Company and Dealers has been upgraded without having any financial cost to the Company.



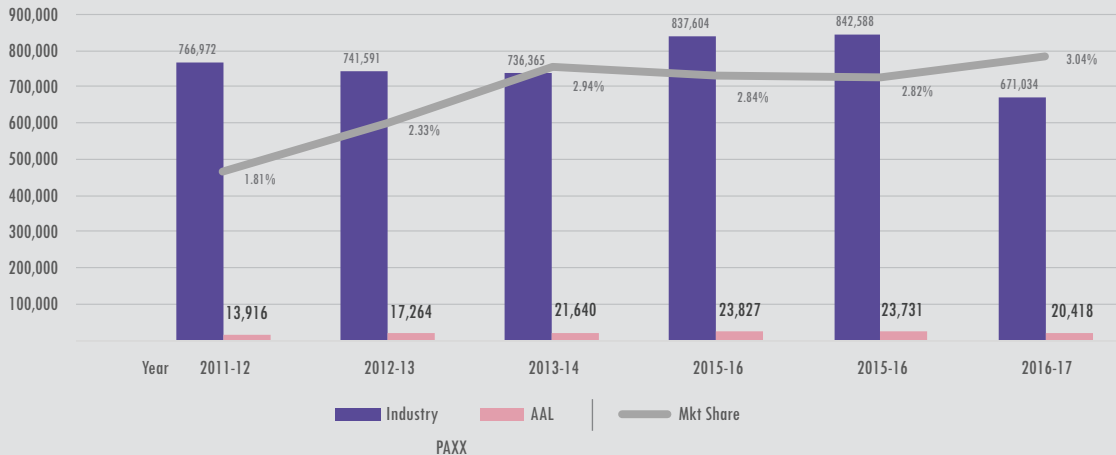
DOMESTIC 3W INDUSTRY



CARGO SEGMENT



PAXX SEGMENT



International Business

The International Monetary Fund (IMF) projects the world growth to rise from 3.1% in 2016 to 3.5% in 2017 and further to 3.6% in 2018 as the long awaited cyclical recovery in manufacturing and trade is currently underway with support from buoyant financial markets worldwide. It expects growth to be broad based across the globe with developed economies expected to grow at 2.0% in 2017 (1.7% in 2016) and emerging & developing economies at 4.5% in 2017 (4.1% in 2016).

3Wheeler export market declined massively in FY 2017. Indian 3Wheeler Industry observed 32.77% decline in export in FY 2017. It could export 271894 3Wheeler as compared to 404441 last year. This is due to continuing economic and political uncertainties in several importing countries, often accompanied by sharp devaluation of currencies and the inability of many to repatriate dollars because of acute currency and balance of payment crises.

Despite the negative forces, the Company could continue its growth momentum in international market. The Company exported 2288 vehicles as compared to 1532 vehicles last year. The Company could achieve this growth due to the credibility of the products and focused attempts. The Company has explored its reach in Mexico, Madagascar, D R Congo, Nepal, Honduras, Afghanistan and Senegal countries during the year.

Research and Development

The company has upgraded its manufacturing setup that can produce BS IV vehicles. The Company has developed the complete range of BS IV compliant vehicles. The Company has also ensured the smooth supply of BS IV compliant vehicles at the sales points.

Considering the increased level of pollution in the environment and understanding the needs of the market, the Company has developed 3Wheeler run by electric energy. These green vehicles are available in the market from November 2016 in Passenger as well as Goods Carrier segment. With the launch of green vehicles, the Company feels proud to present itself as the only Company in India having complete range of 3Wheelers whether it is Passenger or Good Carrier or Customized; Diesel, Petrol, CNG, LPG or Electric fueled; 0.35 tons or 0.50 tons capacity; Fitted with Rear Engine or Front Engine. The Company has all the products in its basket.



The Company feels proud to present itself as the only Company in India having complete range of 3Wheelers



ATUL //
Elite
e-Rickshaw



Business Outlook

Automotive Mission Plan 2026 (AMP 2026) aims to propel the Indian Automotive Industry to be the engine of the "Make in India" program, as it is amongst the foremost drivers of the Manufacturing Sector: Over the next decade, the Indian Automotive Sector is likely to contribute in excess of 12% of the country's GDP and comprise more than 40% of its manufacturing sector.

The Indian economy is expected to grow steadily, interest rates are expected to be stable and fuel prices are expected to remain range bound, overall leading to positive environment for auto industry.

The year 2017-18 will see the implementation of BS IV emission norms. The Union Budget for FY 2018 is very much positive for auto industry having focus on infrastructure and rural economy development. The implementation of government plan and policies in support of its objective will play crucial role on growth of the industry.

The GST implementation will be a key event to affect the industry as well as the economy. In short span of period, the industry may see lower rate of growth due to teething issues in migration from current tax regime to GST. In long run, GST implementation may result into lowering the price of the vehicles. In line with the Smart City and Clean City campaign of the government, the industry also expects the possibilities of phasing out old vehicles by National Green Tribunal (NGT). This will benefit the Company in long run. With the growth of e-commerce, the industry will see the higher demand of micro commercial vehicles to deliver the orders within city area. The normal forecast of monsoon will increase the demand from rural areas.

Risk and Concern

Smooth GST transition and a good monsoon are essential for growth in domestic 3Wheeler demand. On export front, uncertainty of availability of foreign exchange in key export markets will remain a concern. The Company is also exposed to the risks associated with the policies related to the norms prescribed for its product range. The Company requires sizable investment to comply with the strict norms and to adopt new technology. Any increase in interest rate will 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

During the year under review, the total number of people on the rolls of the Company is 808.

Material developments in the Human Resource/Industrial relations front have been detailed under the head "Human Resource" in the Boards' Report.

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 FY2017.



BS IV

Migrated to BS IV regime

GST

Ready for smooth transitions

Ind AS

Prepared for Ind AS



Notice of AGM

Notice is hereby given that the Twenty Ninth Annual General Meeting (AGM) of the Members of Atul Auto Limited will be held on Friday, 29th September, 2017 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 financial statements and the audited consolidated financial statements of the Company for the financial year ended 31st March, 2017, together with the Directors Report thereon and Auditors' Report thereto.
2. To declare a final dividend on equity shares.
3. To appoint a Director in place of Mr. Vijay K Kedia (DIN 00230480), who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. Kamlesh Rathod & Associates, Chartered Accountants (ICAI Firm Registration No. 117930W), be and are hereby appointed as Statutory Auditors of the Company in place of M/s. Maharishi & Co., Chartered Accountants (ICAI Firm Registration No. 124872W), to hold office for a period of five years, from the conclusion of this annual general meeting until the conclusion of the Thirty Forth annual general meeting of the Company, subject to ratification by shareholders at each annual general meeting to be held hereafter, on such remuneration as may be decided by the Board of Directors of the Company."

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

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

Shapar (Dist. Rajkot)
August 12, 2017

Registered Office:

ATUL AUTO LIMITED

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

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.

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 Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 23rd September, 2017 to Friday, 29th September, 2017 (both days inclusive) for the purpose of Annual General Meeting and determining the shareholders who are entitled to receive dividend.
- C. The dividend as recommended by the Board of Directors if declared at the Annual General Meeting will be paid on or after 29th September, 2017 but before 28th October, 2017 to those shareholders who hold shares as on Friday, 22nd September, 2017.
- D. Members holding shares in electronic form are hereby informed that the bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars 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.
- E. 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.
- F. 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.

G. Members wishing to claim dividends, which remain unclaimed, are requested to correspond with Company Secretary & Compliance Officer, at the Company's registered office address. Members are requested to note that dividends not claimed within seven years from the date of transfer to the Company's Unpaid Dividend Account, will, as per Section 124(5) of the Companies Act, 2013, be transferred to the Investor Education and Protection Fund ("IEPF").

Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of seven years, the corresponding shares shall be transferred to the IEPF demat account.

H. 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.

I. To promote green initiative, members are requested to register their e-mail addresses through their Depository Participants for sending the future communications by e-mail. Members holding the shares in physical form may register their e-mail addresses through the RTA, giving reference of their Folio Number. Members may also note that the Annual Report for FY 2016-17 will also be available on the Company's website www.atulauto.co.in for download.

J. 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 NSDL.

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, 22nd September, 2017 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, 26th September, 2017 and will end at 5.00 PM on Thursday, 28th September, 2017. 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 procedure given hereunder.

(i) This Notice of Annual General Meeting is being sent to all the members. In addition, the members whose e-mail id is registered with the Company / Depository Participant(s), an e-mail containing user ID and Password for casting votes by remote e-voting shall be sent by NSDL at the registered e-mail address of the member(s).

(ii) The member(s) whose email ID is not registered with the Company/ Depository Participant(s), may obtain a login ID and password for casting his / her vote by remote e-voting by sending a request at evoting@nsdl.co.in or by contacting

NSDL at the toll free no.: 1800-222-990 mentioning your demat account no./folio no.

(iii) The member(s) who receives an email from NSDL is advised to take the following steps for casting his / her vote by remote e-voting:

- a) Open email and open PDF file viz; "e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/ PIN for remote e-voting. Please note that the password is an initial password.
- b) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>.
- c) Click on "Shareholder - Login".
- d) Enter user ID and password as initial password/PIN noted in step (a) above. Click Login.
- e) Password change menu appears. Change the password/ PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- f) Home page of remote e-voting opens. Click on "remote e-voting: Active Voting Cycles".
- g) Select "E-Voting Event Number" (EVEN) of "Atul Auto Limited" for casting your vote.
- h) Now you are ready for remote e-voting as "Cast Vote" page opens.
- i) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- j) Upon confirmation, the message "Vote cast successfully" will be displayed.
- k) Once you have voted on the resolution, you will not be allowed to modify your vote.
- l) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to bunty.hudda@yahoo.com with a copy marked to evoting@nsdl.co.in.
- m) If a member is already registered with NSDL for remote e-voting, then he/she can use his/her existing user ID and password for casting the vote. If a member forgets the password, the password can be reset by using 'Forgot User Details / Password' option available on www.evoting.nsdl.com or by contacting NSDL at the toll free no.: 1800-222-990.
- n) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

Notice of AGM Contd.

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.

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.

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.

- 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.
- L. 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.

ANNEXURE TO THE NOTICE

Item No. 3 of the Notice:

As regards re-appointment of Mr. Vijay Kedia referred to in Item No. 3 of the Notice, the following disclosures are made for the information of the shareholders:

Mr. Vijay Kedia (Born on 4th November, 1959) graduated in Commerce from Kolkata University. He has been bestowed Honorary causa of Doctor of Excellence for excellence in the field of management by the Confederation of International Accreditation Commission (CIAC) in co-operation with KEISIE International University in South Korea.

He started his career as a sub-broker with a Mumbai based broker M/s. Bharat C. Bagri. Later on, he became Director in few other stock broking companies in Mumbai. After gaining rich experience in stock broking, he decided to focus on research and tend to invest in a few listed companies.

He has been holding Directorship in many companies like Lykis Limited, Kedia Securities Private Limited, Three PL Services Private Limited etc.

He has not been holding membership of any Committees in Atul Auto Limited. He has not been holding any shares in the Company as on 31st March, 2017. He is not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013. He is not related to any directors or key managerial personnel.

None of the directors or key managerial personnel or their relatives, is concerned or interested in the said resolution.

The Board commends the resolution for approval.

Item No. 4 of the Notice:

As regards appointment of statutory auditors referred to in Item No. 4 of the Notice, the following disclosures are made for the information of the shareholders:

As per the provisions of section 139 of the Companies Act, 2013, no listed company shall appoint an audit firm as auditors for more than two terms of five consecutive years. The Act also provided for an additional transition period of three years from the commencement of the Act i.e. 1st April 2014. The current auditors, M/s. Maharishi & Co., had completed a period of seven years at the commencement of the said Act. Hence, on their completing the transition period of three years provided under the Act, the term of the current auditors expires at the conclusion of the ensuing annual general meeting.

The Board of Directors at its meeting held on 12th August, 2017, based on the recommendation of the Audit Committee has recommended the appointment of M/s. Kamlesh Rathod & Associates, Chartered Accountants (ICAI Firm Registration No. 117930W) as the statutory auditors of the Company for approval by the members.

M/s. Kamlesh Rathod & Associates, Chartered Accountants have consented to the said appointment and confirmed that their appointment, if made, would be within the limits specified under section 141(3)(g) of the Act and that they are not disqualified to be appointed as statutory auditors, in terms of section 143 of the Act.

M/s. Kamlesh Rathod & Associates would be appointed as the statutory auditors of the Company from the conclusion of this annual general meeting till the conclusion of the Thirty Fourth annual general meeting, subject to ratification of their appointment by the members at every intervening annual general meeting on a remuneration, out-of-pocket expenses etc., incurred in connection with the Audit as may be decided by the Board in consultation with the auditors from year to year.

Brief Profile of the proposed statutory auditors is as under:

- Mr. Kamlesh Rathod, a senior member of the Institute of Chartered Accountants of India having around two decades of experience in the field of Audit & Assurance Services, Advisory Services, Knowledge/ Business Process Outsourcing and Project Financing, established a firm M/s. Kamlesh Rathod & Associates in the year 1998 and Mrs. Trupti Rathod joined the firm in the year 2001.
- The firm has a valid peer review certificate from the Peer Review Board of the Institute of Chartered Accountants of India.
- The firm has three partners and a team of qualified experts.
- The firm has main office at Jamnagar (Gujarat).

None of the directors or key managerial personnel or their relatives are concerned or interested in the said resolution.

The Board commends the resolution for approval.

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

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

Shapar (Dist. Rajkot)
August 12, 2017

DIRECTORS' REPORT

To the members of Atul Auto Limited

Your Directors have pleasure in presenting the 29th Annual Report along with the audited financial statements for the year ended 31st March, 2017.

1. Financial Results

The financial performance of the Company for the year ended 31st March, 2017 is summarized below:

Particulars	(Rs. in Lacs except EPS)	
	2016-17	2015-16
Revenue from Operations	47,533	53,104
Other Income	252	131
Total Income	47,785	53,235
Total Expenses	42,133	46,082
Profit before Tax (PBT)	5,652	7,153
Exceptional Item	-	-
Profit before Tax after Exceptional Item	5,652	7,153
Less: Current Tax	1,878	2,435
Deferred Tax	42	(22)
Profit after Tax (PAT)	3,732	4,740
Opening Balance in Profit and Loss Account	12,111	9,231
Amount available for appropriations	15,842	13,971
Appropriations		
Interim Dividend Declared	603	603
Tax on Interim Dividend	123	123
Proposed Dividend	329	548
Tax on Proposed Dividend	67	112
Transfer to General Reserve	373	474
Balance carried to Balance Sheet	14,347	12,111
Earnings per Share (Rs.)	17.01	21.60

2. Operating Results and Business Operations

During the year under review, the Company's business cycle faced new economic and industry related challenges, confronted with all and come out with following results (standalone):

- Number of vehicles sold decreased by 11.61% to 38,795 (Previous year 43,893)
- Revenue from operation decreased by 10.49% to Rs.47,533 Lacs (Previous year Rs.53,104 Lacs)
- Export revenue increased by 42.85% to Rs.2,610 Lacs (Previous year Rs.1,827 Lacs)
- Profit before depreciation, finance cost, other income, exceptional items and tax (PBDIT) decreased by 21.54 % to Rs.5,986 Lacs (Previous year Rs.7,629 Lacs)

- Profit before tax (PBT) decreased by 21% to Rs.5,652 Lacs (Previous year Rs.7,153 Lacs)
- Tax expense decreased by 6.90% to Rs.1,920 Lacs (Previous year Rs.2,413 Lacs)
- Profit after tax (PAT) decreased by 21.27% to Rs.3,732 Lacs (Previous year Rs.4,740 Lacs)

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

3. Transfer to Reserve

Your Directors propose to transfer Rs.373 Lacs to the General Reserve out of amount available for appropriation, and an amount of Rs.14,347 Lacs is proposed to be retained in surplus in the Statement of Profit and Loss.

4. Dividend

During the financial year 2016-17, your Company declared and paid an interim dividend of Rs.2.75 (Rupees two and paisa Seventy Five Only) per equity share of the face value of Rs.5 (Rupees Five Only) each in the month of November 2016. In addition to that, your Directors recommend payment of Rs.1.50 (Rupees One and Paise Fifty Only) per equity share of the face value of Rs.5 (Rupees Five Only) each as final dividend for the financial year 2016-17, subject to the approval of the shareholders at the ensuing AGM. If approved, the total dividend (interim plus final dividend) for the financial year 2016-17 will be Rs.4.25 (Rupees Four and Twenty Five Paise only) per equity share of the face value of Rs.5 (Rupees Five Only) each as against the total dividend of Rs.5.25 (Rupees Five and paise Twenty Five Only) per equity share of the face value of Rs.5 (Rupees Five Only) paid for the previous financial year 2015-16.

The Company has maintained its dividend payout ratio for the year inclusive of dividend distribution tax at 30.08% which was 29.25% in the previous year. The total dividend (interim plus final dividend) payout (including dividend distribution tax) for the financial year 2016-17 will be Rs.1,123 Lacs.

The final dividend, if declared will be paid to those shareholders who hold shares as on Friday, 22nd September, 2017.

5. Public Deposits

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).

6. Loans, Guarantees and Investments

During the year under Report, the Company has not given any loans or provided guarantee or 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.50 Crores in favour of Yes Bank and IDBI Bank for Rs.25 Crores each guarantying the repayment of Cash Credit facility in case of default by Khushbu Auto Finance Limited. Khushbu Auto Finance Limited is the only Associate Company of Atul Auto Limited having business of financing automobile vehicles.

7. Liquidity

We continue to be debt-free 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 31st March, 2017 we had liquid assets of Rs.5710 lacs as against Rs. 1282.50 lacs at the previous year end. These funds comprise cash, bank balance and investment in liquid mutual funds.

8. Capital Expenditure

The Company has made the expenditure for the initial development of the land purchased at Bhayla, Bavla near Ahmedabad for future expansion. The Company incurred a capital expenditure of Rs. 791 Lacs (Rs.1079 Lacs in the previous year). The entire capital expenditure was funded out of internal accruals only.

9. Consolidated Financial Results

Your Directors have pleasure in enclosing the Consolidated Financial

Statements in addition to the standalone financial statements pursuant to Section 129(3) of the Companies Act, 2013 (Act) and SEBI Listing Regulations. As per Accounting Standard 23, the investment in Khushbu Auto Finance Limited is accounted for using the equity method of accounting, after initially being recognized at cost.

10. Subsidiaries, Joint Ventures and Associate Companies

The Company does not have any Subsidiary or Joint Venture.

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

The Company is having an Associate Company namely, Khushbu Auto Finance Limited ("KAFL"), a Non-Banking Finance Company. The highlights of the consolidated financial results and performance of the associate company are as under:

- KAFL has revived the business of the Company and to meet the requirement of working capital has raised equity share capital of Rs.25.80 Crores during the year; Rs.3 Cr by way of Preferential Allotment and Rs.22.80 Cr by way of Right Issue.
- Considering the risk associated in the investment in KAFL, its return, performance of last few years, future plans and risk appetite of Atul Auto limited, the Board of Directors has invested Rs.6.82 Cr by subscribing 68,24,000 equity shares of Rs.10/- each at Rs.10/- per share and thus the share of the Company in capital of KAFL reached to 30% which was 49.91% last year.
- KAFL, registered with RBI as Asset Finance Company (AFC) is currently in the business of financing of three wheelers and two wheelers.
- KAFL has a network of 18 service points as on 31st March, 2017 covering Gujarat, Haryana, Andhra Pradesh and Telangana.
- During FY 2016-17, KAFL disbursed loan of Rs.2334.38 Lacs to 1572 customers.

11. 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.

12. Award and Recognition

4insight Inc. in partnership with CNBC Bajar and Akila recognized entrepreneurial excellence of Saurashtra based business houses by awarding "Saurashtra Ratna Awards". Atul Auto Limited has been awarded with "Saurashtra Ratna" Award for its outstanding contribution in Auto Industry by Mr. Vijay Rupani, Honorable Chief Minister of Gujarat State in the award ceremony held at Rajkot on evening of 8th April, 2017.

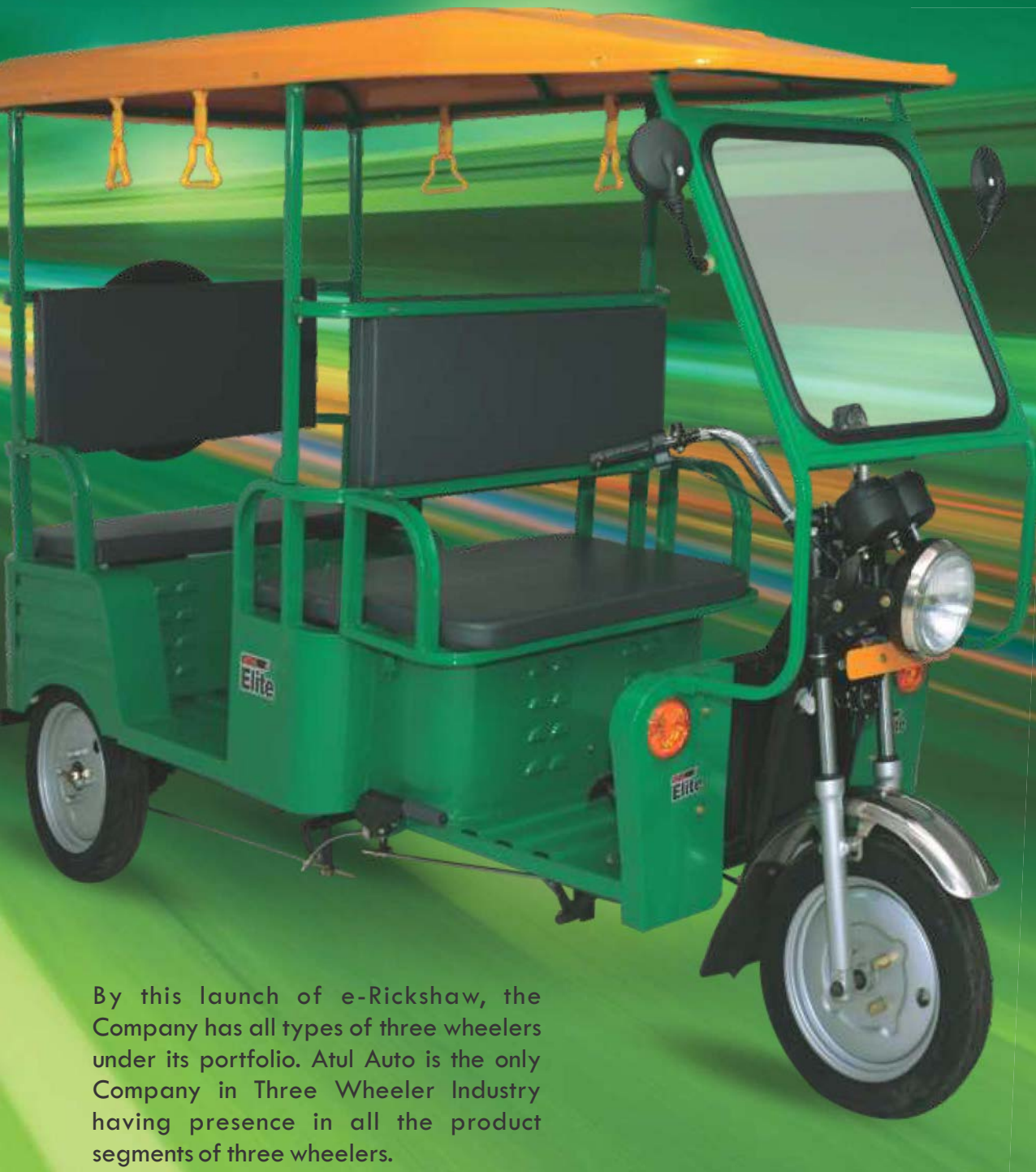
13. Product

Your Directors are pleased to inform that the Company has launched electric three wheelers (Green Vehicles). All the vehicles of the Company have been approved by the Automotive Research Association of India (ARAI). The Company sells its vehicles under the brand names "Atul Shakti", "Atul Gem", "Atul Gemini" and "Atul Elite".

ATUL //

Elite

e-Rickshaw



By this launch of e-Rickshaw, the Company has all types of three wheelers under its portfolio. Atul Auto is the only Company in Three Wheeler Industry having presence in all the product segments of three wheelers.

DIRECTORS' REPORT Contd.

14. Quality initiative

We continue our journey of delivering value to our customers through significant investments in quality programs. The Company has designed its operational cycle with a strong insistence of maintaining and further improving the quality of the product. The Company takes reviews directly from the customers on the regular basis and the product related requirements of the customers are duly intimated to Research and Development department for the improvements and innovations. The Company also obtains the reviews of the dealers who are in constant touch of the Customers of the vehicles. Your Directors understands that the quality of the product is the base of business.

15. 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.

16. Directors and Key Managerial Personnel

The Independent Directors of your Company are not liable to retire by rotation. Mr. Vijay K Kedia, Director 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 have offered himself for reappointment.

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.

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

17. Committees of the Board

The Board of Directors has the following Committees:

- I. Audit Committee
- II. Nomination and Remuneration Committee
- III. Stakeholders' Relationship Committee
- IV. 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.

18. Declaration of independence

Your 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).

19. Performance Evaluation

Pursuant to the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

20. Policy on Directors' appointment and remuneration

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Policy is available on the website of the Company.

21. Disclosure Relating to Remuneration of Directors, Key Managerial Personnel and particulars of Employees

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.

None of the employees of the Company was in receipt of remuneration in financial year 2016-17 which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

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 [A].

22. Numbers of meetings of Board

The Board met six times during FY 2016-17, 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.

23. Directors' Responsibility Statement

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

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

with the provisions of all applicable laws and such systems were adequate and operating effectively.

24. Extract of the Annual Return

The details forming part of the extract of the Annual Return as on 31st March, 2017 in Form MGT - 9 in accordance with Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, are set out herewith as Annexure [B] to this report.

25. Human Resource and Industrial Relations

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. The Company has a structured induction process at allocations and management development programs to upgrade skills of managers

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning & Organizational Development. This is a part of Corporate HR function and is a critical pillar to support the organization's growth and its sustainability in the long run.

26. Health, Safety and Environment

The Company is taking continuous steps and also developing environment friendly processes for effective resource management with specific focus to energy, water and basic raw materials. Monitoring and periodic review of system regarding health, safety and environment is done on a continuous basis with emphasis and focus given to safety at workplace.

27. 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 31st March, 2017 are annexed to this report as Annexure [C].

28. 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, sanitation etc. These projects are in accordance with Schedule VII of the Companies Act, 2013 and the Company's CSR policy. The Report on CSR activities as required under the Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed as Annexure [D] and forms an integral part of this Report.

The Board has approved a policy for Corporate Social Responsibility and same has been uploaded on the website.

29. 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.

30. Secretarial Standards of ICSI

Pursuant to the approval given on 10th April, 2015 by the Central Government to the Secretarial Standards specified by the Institute of Company Secretaries of India, the Secretarial Standards on

Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) came into effect from 1st July, 2015. The Company is in compliance with the same.

31. Indian Accounting Standards

Your Company shall adopt Indian Accounting Standards ('Ind AS') with effect from 1st April, 2017 pursuant to Ministry of Corporate Affairs notification dated 16th February, 2015, notifying the Companies (Indian Accounting Standards) Rules, 2015. The implementation of IND AS in 2017 will be a major change process and the Company is well positioned to ensure a smooth transition.

32. Auditors' and Auditors' Report

Statutory Auditors

M/s. Maharishi & Co, Chartered Accountants (FRN: 124872W) who are Statutory Auditors of the Company hold office up to the ensuing Annual General Meeting. Pursuant to Section 139(2) of the Companies Act, 2013, the Company is required to rotate Statutory Auditors.

The Company is in search of new auditors to comply with the statutory requirements. The Audit Committee has been in the process of scrutinizing and interviewing few firms. Once the screening process completes, the Audit Committee will recommend the names of the firms of Chartered Accountants or Individual Chartered Accountants for the appointment as Statutory Auditor/s of the Company to the Board of Directors with its rationales. In turn, after the assessing the profile, the Board of Directors will recommend the same to the shareholders in ensuing Annual General Meeting.

There is no Audit qualification for the year under review. The statutory auditors have not put any adverse remark, reservation or disclaimer that the Board need to reply.

Secretarial Auditors

In terms of provisions of Section 204 of the Companies Act, 2013, read with Rules made thereunder, the Company has reappointed CS Bunt Hudda (CP No. 11560) to undertake the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report is attached to this Report as Annexure [E].

There is no secretarial audit qualification for the year under review.

The Company is not required to get its cost records audited for the financial year 2016-17.

33. 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.

34. 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 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 policy on Related Party Transactions as approved by the Board of Directors has been uploaded on the website of the Company. Your Directors draw attention of the members to Note no. 42 to the financial statement which sets out related party disclosures for the year under review.

35. 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 Code of Business Principles 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 Whistle Blower Policy is also available on your Company's website.

36. 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.

37. Other Disclosures:

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

- The paid up Equity Share Capital as at 31st March, 2017 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 31st March, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

- 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.
- 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.

38. 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 13, 2017

Annexure - A

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 2016-17, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2016-17 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Sr No	Name of Director / KMP	Remuneration of Director/ KMP for Financial Year 2016-17 (Rs.)	Remuneration of Director/ KMP for Financial Year 2015-16 (Rs.)	% increase in Remuneration in the Financial Year 2016-17	Ratio of Remuneration of each Director to median remuneration of employees	Percentage of Remuneration to Revenue		Percentage of Remuneration to Net Profit		Comparison of the Remuneration of the KMP against the performance of the Company
						2016-17	2015-16	2016-17	2015-16	
1	J J Chandra Chairman and Managing Director	1,24,50,000	1,08,50,000	14.75%	74.81	0.23%	0.20%	2.91%	2.29%	In FY 2016-17, Operating revenue decreased by 10.49%, Profit Before Tax (PBT) decreased by 21%, Profit After Tax (PAT) decreased by 21.27%
2	M J Patel Whole-time Director & CFO	1,08,00,000	94,00,000	14.89%	64.90	0.20%	0.18%	2.52%	1.98%	
3	Niraj J Chandra Whole-time Director	50,50,000	44,00,000	14.77%	30.35	0.09%	0.08%	1.18%	0.93%	
4	Paras J Virangama Company Secretary and Compliance Officer	4,37,616	3,74,042	17.00%	NA	0.01%	0.01%	0.10%	0.08%	

- (ii) The Median remuneration of employees during financial year 2016-17 was Rs.1,66,416/-
- (iii) In financial year 2016-17, there was an increase of 16.51% in Median remuneration of employees.
- (iv) The Company has 808 permanent employees on the rolls of the Company as on 31st March, 2017.
- (v) Relationship between average increase in remuneration and company performance: In FY 2016-17, Operating revenue decreased by 10.49%, Profit Before Tax (PBT) decreased by 21%, Profit After Tax (PAT) decreased by 21.27% whereas the increase in median remuneration of employees was 16.51%
- (vi) Comparison of remuneration of KMPs against performance of the Company: The remunerations of KMPs are revised every year as per the recommendations of the Nomination and Remuneration Committee and with approval of the Board of Directors and Shareholders. The remuneration of KMPs increased by average 15.35% whereas the Profit Before Tax and Profit After Tax of the Company in FY 2016-17 decreased by 21% and 21.27% respectively.
- (vii) The Company has not paid any remuneration by way of salary or commission to any non-executive Director.
- (viii) The Market Capitalization of the Company decreased by 9.61% to Rs.1024.64 Crores on 31st March, 2017 from Rs.1133.59 Crores on 31st March, 2016.
- (ix) The Price Earnings ratio decreased by 21.27% to 17.01 times on 31st March, 2017 from 21.60 times on 31st March, 2016.
- (x) The Company came out with an IPO in the year of 1996 with an issue price of Rs.22.00 per equity share of Rs.10/- each. As on 31st March, 2017, the market price of the equity share of having face value of Rs.5/- was Rs.466.95. An amount of Rs.2200.00 (100 shares at issue price of Rs.22.00) invested in the said IPO would be worth Rs.1.68 Lacs as on 31st March, 2017. (This is excluding the dividend accrued and allotment of shares in Right/ Preferential issue.)
- (xi) Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2016-17 was 14.72% whereas the increase in the managerial remuneration for the same financial year was 15.68%.
- (xii) The key parameters for any variable component of remuneration: As per the policy designed by the Nomination and Remuneration Committee of the Company, the Company doesn't pay any variable commission/ pay to the employees including Directors/ KMPs. The Company revises the remuneration of all the employees on the basis of their performance every year.
- (xiii) The ratio of the remuneration of the highest paid Director to that of the Employees who are not Directors but receive remuneration in excess of the highest paid Director during the year : Not Applicable
- (xiv) The remuneration policy can be checked by shareholders on Website of the Company.

Annexure - B

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

- A. CIN : L54100GJ1986PLC016999
- B. Registration Date : 18.06.1986
- C. Name of the Company : Atul Auto Limited
- D. Category/ Sub-Category of the Company : Public Company/ Limited by shares
- E. Address of the Registered office and contact details : Survey No. 86, Plot No. 1 to 4, 8B National Highway,
Near Microwave Tower,
Shapar (Veraval),
Dist. Rajkot, Gujarat, INDIA 360024
Phone: 02827-666000
E-Mail: investorrelations@atulauto.co.in
- F. Whether listed company : Yes/ ~~No~~
- G. Name, Address and Contact details of Registrar and Transfer Agent, if any : Sharex Dynamic (India) Private Limited
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	96.09%

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)

The Company does not have any Holding or Subsidiary Company.



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 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/ HUF	11563810		11563810	52.699	11563810		11563810	52.699	
(b) Central Govt									
(c) State Govt(s)									
(d) Bodies Corp.									
(e) Banks/ FIs									
(f) Any Other									
Sub-total (A) (1):-	11563810	0	11563810	52.699	11563810	0	11563810	52.699	0
(2) Foreign									
(a) NRIs - Individuals									
(b) Other Individuals									
(c) Bodies Corp.									
(d) Banks / Fis									
(e) Any Other Specify									
Sub-total (A) (2):-	0	0	0	0	0	0	0	0	0
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	11563810	0	11563810	52.699	11563810	0	11563810	52.699	0
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	2201228		2201228	10.031	2599751		2599751	11.848	1.817
(b) Banks / FI	2041		2041	0.009	1000		1000	0.005	-0.004
(c) Central Govt.									
(d) State Govt (s)	10954		10954	0.050	5996		5996	0.027	-0.023
(e) Venture Capital Funds	500		500	0.002					-0.002
(f) Insurance Companies									
(g) FIs	1374136		1374136	6.262	48638		48638	0.222	-6.040
(h) Foreign Venture Capital Funds									
(i) Others (specify)									
Sub-total (B)(1):-	3588859	0	3588859	16.354	2655385	0	2655385	12.102	-4.252
2. Non-Institutions									
(a) Bodies Corp									
(i) Indian	1036688	180	1036868	4.725	630209	180	630389	2.873	-1.852
(ii) Overseas									
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs.1 lacs	3452548	165052	3617600	16.486	3520095	154652	3674747	16.747	0.261
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lacs	907069		907069	4.134	898505		898505	4.095	-0.039

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(c) Other (specify)									
Non Resident Indians	481818	637028	1118846	5.099	549925	634628	1184553	5.398	0.299
Overseas Corporate Bodies	39300	1200	40500	0.185	1141337	1200	1142537	5.207	5.022
Foreign Nationals									
Clearing Members	69648		69648	0.317	193274		193274	0.881	0.564
Trusts									
Foreign Boodies - D R									
Sub-total (B)(2):-	5987071	803460	6790531	30.946	6933345	790660	7724005	35.201	4.255
Total Public Shareholding (B)=(B)(1)+ (B)(2)	9575930	803460	10379390	47.300	9588730	790660	10379390	47.303	0.003
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)	21139740	803460	21943200	100.000	21152540	790660	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	1290066	5.879	0	1969242	8.974	0	3.095
2	JAYANTIBHAI JAGJIVANDAS CHANDRA	1351742	6.16	0	1351742	6.16	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	KASHIBEN JAGJIVANDAS CHANDRA	679176	3.095	0	0	0.000	0	-3.095
8	RAMABEN JAMNADAS PATEL	315488	1.438	0	315488	1.438	0	0
9	MAHENDRAKUMAR JAMNADAS PATEL	277848	1.266	0	277848	1.266	0	0
10	PRAFULLABEN JAYANTIBHAI CHANDRA	269686	1.229	0	269686	1.229	0	0
11	REKHABEN MAHESHBHAI CHANDRA	255300	1.163	0	255300	1.163	0	0
12	USHABEN DHARMENDRABHAI CHANDRA	244274	1.113	0	244274	1.113	0	0
13	VASANTRAI KURJIBHAI PATEL	228000	1.039	0	228000	1.039	0	0
14	CHETANKUMAR VASANTRAI PATEL	220536	1.005	0	220536	1.005	0	0
15	HARSHABEN HARISHBHAI CHANDRA	211800	0.965	0	211800	0.965	0	0
16	KRUNAL J. CHANDRA	202650	0.924	0	202650	0.924	0	0
17	MANJULABEN VASANTRAI PATEL	191304	0.872	0	191304	0.872	0	0
18	RAMABEN DAYALAL PATEL	161504	0.736	0	161504	0.736	0	0
19	HETAL ALPESH CHANDRA	153720	0.701	0	153720	0.701	0	0
20	ALPESH BHARATBHAI CHANDRA	146160	0.666	0	146160	0.666	0	0
21	KAPILABEN BHARATBHAI CHANDRA	141504	0.645	0	141504	0.645	0	0
22	HIREN VASANTRAI PATEL	138960	0.633	0	138960	0.633	0	0
23	ASHOKKUMAR JAMNADAS PATEL	136944	0.624	0	136944	0.624	0	0
24	ANITA NIRAJBHAI CHANDRA	131000	0.597	0	131000	0.597	0	0
25	KRISHNABEN CHETANKUMAR PATEL	127368	0.580	0	127368	0.580	0	0
26	MINABEN ASHOKKUMAR PATEL	121712	0.555	0	121712	0.555	0	0
27	MANISHABEN MAHENDRAKUMAR PATEL	121712	0.555	0	121712	0.555	0	0
28	NIRAJ JAYANTIBHAI CHANDRA	105118	0.479	0	105118	0.479	0	0

iii) Change in Promoters' Shareholding

Sr. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the Year			% of total Shares of the company
		No. of Shares at the beginning of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	
1	MAHESHBHAI JAGJIVANDAS CHANDRA	1290066	5.879	01-04-2016				
				09-09-2016	679176	Transmission	1969242	
	-Closing Balance			31-03-2017			1969242	8.974
2	KASHIBEN JAGJIVANDAS CHANDRA	679176	3.095	01-04-2016				
	-Closing Balance			09-09-2016	-679176	Transmission	0	0

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

Sr. No	Name	No. of Shares at the beginning of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
1	GOLDMAN SACHS INDIA FUND LIMITED	712699	3.248	01-04-2016				
	Closing Balance			31-03-2017		No Change	712699	3.248
2	HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND	581386	2.650	01-04-2016				
	Closing Balance			31-03-2017	No Change	581386	2.65	
3	MIRAE ASSET EMERGING BLUECHIP FUND	146831	0.669	30-09-2016				
				07-10-2016	54792	Buy	201623	0.919
				14-10-2016	7324	Buy	208947	0.952
				21-10-2016	11151	Buy	220098	1.003
				28-10-2016	16797	Buy	236895	1.080
				04-11-2016	43554	Buy	280449	1.278
				11-11-2016	18541	Buy	298990	1.363
	Closing Balance			31-03-2017			298990	1.363
4	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C BIRLA SUN LIFE DIVIDEND YIELD PLUS	280546	1.279	01-04-2016				
				06-05-2016	-14700	Sold	265846	1.212
				10-03-2017	-5495	Sold	260351	1.186
	Closing Balance			31-03-2017			260351	1.186
5	HDFC Small & Midcap Fund	260000	1.185	01-04-2016				
	Closing Balance			31-03-2017		No Change	260000	1.185
6	KEDIA SECURITIES PRIVATE LIMITED	253451	1.155	30-06-2016				
	Closing Balance			31-03-2017		No Change	253451	1.155
7	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C INDIA EXCEL (OFFSHORE) FUND	247100	1.126	01-04-2016				
				06-05-2016	-15100	Sold	232000	1.057
	Closing Balance			31-03-2017	-11008	Sold	220992	1.007
8	EM RESURGENT FUND	245500	1.119	01-04-2016				
				13-05-2016	-40744	Sold	204756	0.933
	Closing Balance			31-03-2017			204756	0.933
9	DAYALAL GORDHANDAS PATEL	180969	0.825	01-04-2016				
	Closing Balance			31-03-2017		No Change	180969	0.825

Sr. No	Name	No. of Shares at the beginning of the Year	% of the Shares of the company	Date	Increasing/ Decreasing in shareholding	Reason	No. Of shares	% of total Shares of the company
10	TATA TRUSTEE CO. LTD.A/C TATA MUTU	60000	0.273	07-10-2016				
				02-12-2016	100000	Buy	160000	0.729
	Closing Balance			31-03-2017			160000	0.729
11	BIRLA SUN LIFE TRUSTEE COMPANY PRIVATE LIMITED A/C INDIA ADVANTAGE (OFFSHORE) FUND	191100	0.871	01-04-2016				
				22-04-2016	-17100	Sold	174000	0.793
				06-05-2016	-12000	Sold	162000	0.738
				24-02-2017	-18200	Sold	143800	0.655
	Closing Balance			31-03-2017			143800	0.655
12	PROGRESSIVE GLOBAL FINANCE PRIVATE LIMITED	253451	1.155	01-04-2016				
	Closing Balance			31-03-2017	-253451	Sold	0	0
13	JPMORGAN INDIA MID AND SMALL CAP FUND	176325	0.804	01-04-2016				
				06-05-2016	-21890	Sold	154435	0.704
				13-05-2016	-59182	Sold	95253	0.434
				05-08-2016	-8017	Sold	87236	0.398
	Closing Balance			12-08-2016	-87236	Sold	0	0

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)	N J Chandra (Whole-time Director)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,24,50,000	1,08,00,000	50,50,000	2,83,00,000
	(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)	1,24,50,000	1,08,00,000	50,50,000	2,83,00,000
	Ceiling as per the Act				5,92,52,003

B. Remuneration to other directors

Sr. No.	Particulars of Remuneration	Name of Directors				Total Amount (Rs.)
		Hakubhai Lalakiya	Hasmukh Adhvaryoo	Hemant Bhatt	Margie Parikh	
	• Fees for attending board committee meetings	1,16,500	1,16,500	93,500	91,500	4,18,000
	• 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)	1,28,500	1,28,500	1,05,500	1,03,500	4,66,000
	Other Non-Executive Directors	Vijay K Kedia				
	• Fees for attending board committee meetings	32,500				32,500
	• Commission	0				0
	• Others, please specify	0				0
	Total (2)	32,500				32,500
	Total (B) = (1+2)					4,98,500
	Total Managerial Remuneration					2,87,98,500
	Overall ceiling as per the Act					6,51,77,204

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	4,37,616
	(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	4,37,616

Note:

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

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

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

Annexure - C

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

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. In spite of Company's constant efforts, the consumption of units of power per vehicle increased from 106.18 units to 111.67 units.

The Company makes expenses of revenue nature for conservation of energy on regular basis. No separate capital investment has been made for energy conservation during the year. The Company is having a wind turbine (KW 600) at village Gandhvi (Lamba), Ta. Kalyanpur in Jamnagar District for utilizing alternative source of energy.

Particulars	2016-17	2015-16
Electricity purchased		
Units	43,52,910	46,96,610
Amount (Rs.)	3,60,31,155	3,90,73,259
Rate per unit (Rs.)	8.31	8.33
Production in no.	38,981	44,232
Unit consumed per unit of production	111.67	106.18

B. Technology Absorption

Research and Development (R&D)

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

(Rs. in lacs)

Particulars	2016-17	2015-16
Revenue expenditure	371.82	313.62
Capital expenditure	Nil	Nil
Total	371.82	313.62

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

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, 5.49% of our revenues were derived from export which was 3.44% last year. The Company is taking further steps to widen its international marketing network.

Foreign exchange earnings and outgoes are as under:

(Rs. in lacs)

Particulars	2016-17	2015-16
Earning	2634	1897
Expenditure	784	688
Net Foreign Exchange Earning (NFE)	1850	1209
NFE/Earning (%)	70.24	63.73

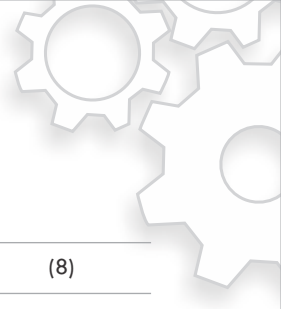
Annexure - D

ANNUAL REPORT ON CSR ACTIVITIES for the financial year ended on 31st March, 2017

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

1. A brief outline of the Company's CSR Policy including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programs and the composition of CSR Committee : Refer Section CSR on Board's Report
2. The Composition of the CSR Committee : Mr. Jayantibhai Chandra, Chairman
Mr. Hakubhai Lalakiya, Member
Mr. Hasmukhbhai Adhvaryoo, Member
3. Average net profit of the Company for last three financial years : Rs.57,32,01,311/-
4. Prescribed CSR expenditure (two percent of the amount mentioned in item 3 above) : Rs.1,14,64,026/-
5. Details of CSR spent during the financial year
 - a. Total amount to be spent for the financial year 2016-17 : Rs.1,14,64,026/-
 - b. Amount unspent, if any : Rs.80,38,526/-
 - 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	45,00,000	15,90,500	15,90,500	Through implementing agency



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2	Construction/ Repairs/ Renovation of Building of Hospitals/ Clinics etc.	Promoting Health Care	Ahmedabad, Rajkot, Gujarat	40,00,000	12,00,000	12,00,000	Through implementing agency
3	Prevention of diseases – Health Check-up, Health Awareness Camp, Distribution of Vaccine etc.	Promoting Preventive Healthcare	Saurashtra Region, Gujarat	30,00,000	6,00,000	6,00,000	Through implementing agency
4	Narsinh Mehta Award Ceremony	Promotion of National Culture, Art	Saurashtra Region, Gujarat	1,00,000	35,000	35,000	Through implementing
		Total		1,16,00,000	34,25,500	34,25,500	

- Details of implementing agency: Atul Chandra Charitable Trust, ITI Rajkot, Shree Vidhyamandal, Shree Sadguru Seva Sangh Trust, Shree Sadguru Parivar Trust, The Institute of Kidney Diseases & Research Centre, Rupayatan, Minraj Education And Cheritable Trust, Shri Panchnath Mahadev Sarvajnik Trust.
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

Annexure - E

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

[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 31st March, 2017, 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 31st March, 2017 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;
 - (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
 - (vi) Employees Provident Fund and Miscellaneous Provisions Act, 1952; Employees State Insurance Act, 1948; Employees Liability Act, 1938; Equal Remuneration Act, 1976; Maternity Benefits Act, 1961; Minimum Wages Act, 1948 ; Payment of Bonus Act, 1965; Payment of Gratuity Act, 1972; Payment of Wages Act, 1936 and other applicable labour laws.
 - (vii) Environment Protection Act, 1986 and other environmental laws;
 - (viii) Factories Act, 1948;
 - (ix) Hazardous Wastes (Management and Handling) Rules, 1989 and Amendment Rule, 2003
 - (x) Indian Contract Act, 1872;
 - (xi) Income Tax Act, 1961 and Indirect Tax laws;
 - (xii) Indian Stamp Act, 1999;
 - (xiii) Industrial Dispute Act, 1947;
 - (xiv) Negotiable Instruments Act, 1881;
 - (xv) Motor Vehicles Act, 1988;
 - (xvi) The Motor Transport Workers Act, 1961
 - (xvii) The Explosive Act, 1884
 - (xviii) The Petroleum Act, 1934
 - (xix) The Environment (Protection) Act, 1986
 - (xx) The Water (Prevention and Control of Pollution) Act, 1974
 - (xxi) The Air (Prevention and Control of Pollution) Act, 1981



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

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

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

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

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

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

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the

Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period, 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**

May 13, 2017
Shapar (Dist. Rajkot)

Annexure - F

Form AOC-1

[Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries or associate companies or joint ventures



Part A: Subsidiaries

This Part is not applicable to the company as company does not have any subsidiaries.

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 associates/Joint Ventures	: KHUSHBU AUTO FINANCE LIMITED
1. Latest audited Balance Sheet Date	: 31st March, 2017
2. Shares of Associate/Joint Ventures held by the company on the year end	
(i) No.	: 2296000
(ii) Amount of Investment in Associates	: Rs.98,72,800/-
(iii) Extend of Holding %	: 30%
3. Description of how there is significant	: There is a significant influence due to percentage (%) of share capital
4. Reason why the associate is not consolidated	: Not Applicable
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	: Rs. 51,11,344
6. Profit/ Loss of the year	
(i) Considered in Consolidation	: Not Applicable
(ii) Not Considered in Consolidation	: Not Applicable
A. Names of associates or joint ventures which are yet to commence operations – None	
B. Names of associates or joint ventures which have been liquidated or sold during the year – None	

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

For and on behalf of Board of Directors

Ankit Gokani,
Partner
Membership No.: 133391

Shapar (Dist. Rajkot)
May 13, 2017

J J Chandra
Chairman and Managing Director
DIN : 00057722

M J Patel
Whole time Director & CFO
DIN : 00057735

Paras Viramgama
Company Secretary

REPORT ON CORPORATE GOVERNANCE

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

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

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

RIGHTS OF SHAREHOLDERS

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

ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

Your Company 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.

GOVERNANCE STRUCTURE

The Corporate Governance structure at Atul Auto Limited is as follows:

1. Board of Directors: The Board is entrusted with an ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosures.

2. Committees of the Board: The Board has constituted the following Committees viz. Audit Committee, Nomination and Remuneration

Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility (CSR) Committee. Each of the said Committee has been mandated to operate within a given framework.

BOARD OF DIRECTORS

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

COMPOSITION OF BOARD

The Board is broad-based and consists of eminent individuals from industry, management, technical, financial and marketing background. The Company is managed by the Board of Directors in coordination with the Senior Management team. The composition and strength of the Board is reviewed from time to time for ensuring that it remains aligned with statutory as well as business requirements.

The Company has a judicious mix of Executive and Non-Executive Director. As on 31st March, 2017, the Board comprised of eight Directors out of which four are Independent Directors which includes one Woman Independent Director, one is Non-Executive Non-Independent Director and the remaining three are Executive Directors which are Promoter/ Part of promoter group. The Chairman of the Company is Executive Director. There is no Nominee or Shareholders' Director on the Board of the Company.

INDEPENDENT DIRECTORS

There are four Independent Directors on the Board of the Company as on 31st March, 2017. There is no change in Independent Directors during the year.

All four Independent Directors have submitted declarations that they meet the criteria of Independence as per section 149 of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Independent Directors have confirmed that they do not hold directorship in more than seven listed companies. A formal letter of appointment to Independent Directors as provided in the Companies Act, 2013 have been issued.

BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business strategies/policies and review the financial performance of the Company. In case of business exigencies, the Board's approval is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting.

During the financial year ended on 31st March, 2017, Six (6) meetings of Board of Directors held on following dates:

30th May, 2016, 09th August, 2016, 29th September, 2016, 12th November, 2016, 04th February, 2017, 31st March, 2017

The Interval between two meetings was well within the maximum period mentioned under Section 173 of the Companies Act, 2013 and the Listing Regulations.

REPORT ON CORPORATE GOVERNANCE Contd.

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

The details of Directors' attendance for Board meetings and Annual General Meeting held during the financial year 2016-17 and their Chairmanship/ Membership of Board Committees of other companies are given in table below:

Name of Director	Nature of Directorship	No. of meetings attended	Last AGM attended	No. of outside Directorship of Public Companies as on 31st March, 2017	No. of outside Directorship of Public Companies as on 31st March, 2017	No. of Committee Membership# as on 31st March, 2017	No. of Committee Chairpersonship# as on 31st March, 2017	No. of shares held as on 31st March, 2017
J J Chandra	Chairman and Managing Director	5	Yes	--	--	--	--	13,51,742
M J Patel	Whole-time Director & CFO	6	Yes	--	--	--	--	2,77,848
Niraj J Chandra	Whole-time Director	6	Yes	--	--	--	--	1,05,118
Vijay K Kedia	Non-Executive Director	3	Yes	2	1	--	--	--
Hakubhai Lalakiya	Independent Director	4	Yes	--	--	--	--	--
Hasmukhbhai Adhvaryoo	Independent Director	4	Yes	--	--	--	--	--
Hemantkumar Bhatt	Independent Director	4	No	1	1	--	--	--
Margie S Parikh	Independent Director	3	No	--	--	--	--	--

Note:

- Directorships exclude Private Limited Companies, Foreign Companies and Section 8 Companies.
- Chairmanship/ Membership of Committee only includes Audit Committee and Stakeholders Relationship Committee other than Atul Auto Limited.
- Mr. J J Chandra is father of Mr. Niraj J Chandra. No other directors are related to each other.

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

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.

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.

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2016-17. 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 Board of Directors at its meeting held on 4th February, 2017, 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.

The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

FAMILIARISATION PROGRAMME

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

On an ongoing basis, the familiarization activities are done in the separate session on the day of meeting of board of directors, preferably after the completion of the meetings. Three such sessions around two hours each have been held during the year. The sessions have been conducted by Mr. Paras Viramgama, Company Secretary, Mr. J V Adhia, President – Finance and Mr. Paul Zachariah, President – Marketing of the Company. All Independent Directors have attended the same without fail.

The details of familiarization programme have been posted on the website of the Company.

AUDIT COMMITTEE

COMPOSITION

The Audit Committee is constituted in accordance with the provisions of Regulation 18 of the SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013. The Audit Committee comprise of Mr. Hemantkumar Bhatt, Independent Director as Chairman, Mr. Hakubhai Lalakiya, and Dr. Margie S Parikh, Independent Directors as Members. All the members of the committee are financially literate and have accounting and financial management expertise

MEETINGS AND ATTENDANCE

The Audit Committee met four times during the Financial Year 2016-17. The maximum gap between two meetings was not more than 120 days. The necessary quorum was present for all Meetings. The Committee met on 30th May, 2016, 09th August, 2016, 12th November, 2016 and 4th February, 2017. The Whole-time Director and CFO, President – Finance and the representative of Statutory Auditors are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee meetings held during the year. Mr. Hemantkumar Bhatt, Chairman of the Audit Committee could not remain present at the Annual General Meeting held on 16th September, 2016. Mr. Hakubhai Lalakiya, Member of the Committee remained present in AGM in his place. The Table below provides the Attendance of the Audit Committee members: Company.

Name of Director	Role in Committee	No. of Meetings Attended
Mr. Hemantkumar Bhatt	Chairman	4 out of 4
Mr. Hakubhai Lalakiya	Member	4 out of 4
Dr. Margie S Parikh	Member	3 out of 4

Mr. Paras J. Viramgama acted as Secretary to the Committee.

TERM OF REFERENCE

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting system, internal controls system, discussion on financial results, interaction with Statutory and Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory Auditors and their remuneration, recommendation for the appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions and Analysis, Review of Internal Audit Reports, significant related party transactions. The Audit Committee also oversees and reviews the functioning of a vigil mechanism (implemented in the Company as a Fraud Risk Management Policy and Whistle Blower Policy) and reviews the finding of investigation into cases of material nature and the actions taken in respect thereof. The Company has framed the Audit Committee Charter for the purpose of effective compliance of provisions of section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulation. The Audit Committee also looks into the matters as are specifically referred to it by the

Board of Directors besides the mandatory requirements. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprise of Mr. Hasmukhbhai Adhvaryoo, Independent Director as Chairman, Mr. Hakubhai Lalakiya and Dr. 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 role of Nomination and Remuneration Committee inter alia, includes formulation of criteria for determining qualifications, positive attributes and independence of a director and recommendation to the Board of the remuneration policy; formulation of criteria for evaluation of Independent Directors and the Board; devising a policy on Board diversity; and identification of persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

The Remuneration Policy is available on company's website. The details of remuneration paid to all Directors are provided in extract of Annual Return in this report.

During the year, the Nomination and Remuneration Committee met four times on 30th May, 2016, 09th August, 2016, 12th November, 2016 and 4th February, 2017. The details of attendance at the Nomination and Remuneration Committee meeting are as under:

Name of Director	Role in Committee	No. of Meetings Attended
Mr. Hemantkumar Bhatt	Chairman	4 out of 4
Mr. Hakubhai Lalakiya	Member	4 out of 4
Dr. Margie S Parikh	Member	3 out of 4

Mr. Paras J. Viramgama acted as Secretary to the Committee.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprise of Dr. 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 is as follows:

- consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual report, non-receipt of declared dividend, etc;
- ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;
- evaluate performance and service standards of the Registrar and Share Transfer Agent of the Company;
- provide guidance and make recommendations to improve investor service levels for the investors.

The Stakeholders' Relationship Committee met for times on 30th May, 2016, 09th August, 2016, 12th November, 2016 and 4th February, 2017. The details of attendance at the committee meetings are as under:

REPORT ON CORPORATE GOVERNANCE Contd.

Name of Director	Role in Committee	No. of Meetings Attended
Dr. Margie S Parikh	Chairman	3 out of 4
Mr. Hasmukhbhai Adhvaryoo	Member	4 out of 4
Mr. Hemantkumar Bhatt	Member	4 out of 4

Mr. Paras J. Viramgama, Company Secretary, is the Compliance Officer for resolution of Shareholder's/ Investor's complaints. During the Financial Year ended 31st March, 2017, 6 complaints were received from the shareholders during the year. All complaints have been resolved to the satisfaction of the shareholders and none of them were pending as on 31st March, 2017:

Nature of Complaint	Received During the year	Redressed During the year	Pending at the end of the year
Delay/ Non-Receipt of Dividend/ Share Certificate	2	2	NIL
Delay/ Non-Receipt of Annual Report	3	3	NIL
Non-Response to query regarding transmission of shares	1	1	NIL

Mr. Paras J. Viramgama acted as Secretary to the Committee.

CSR (CORPORATE SOCIAL RESPONSIBILITY) COMMITTEE

The Corporate Social Responsibility (CSR) Committee comprise of Mr. J 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 Committee is primarily responsible for formulating and recommending to the Board of Directors, a Corporate Social Responsibility (CSR) Policy and monitoring the same from time to time, amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects.

The CSR Committee met four times during the year on 30th May, 2016, 09th August, 2016, 12th November, 2016 and 4th February, 2017. The details of attendance at the committee meetings are as under:

Name of Director	Role in Committee	No. of Meetings Attended
Mr. J J Chandra	Chairman	3 out of 4
Mr. Hakubha Lalakiya	Member	4 out of 4
Mr. Hasmukhbhai Adhvaryoo	Member	4 out of 4

Mr. Paras J. Viramgama acted as Secretary to the Committee.

The report on CSR activities done during the year has been included. The Company has also formulated 'The Code of Practices and

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

During the year, meetings of Independent Directors was held on 12th November, 2016 and 04th February, 2017 at Registered office of the Company without presence of non-independent directors and members of the management as per regulation 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All four Independent Directors were present in both the meetings.

They have reviewed 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.

AFFIRMATIONS AND OTHER DISCLOSURES

Subsidiary Company

The Company does not have any subsidiary Company.

Risk Management

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

Related Party Transactions (RPTs)

All transactions entered into by your Company with related parties during FY 2016-17, were in ordinary course of 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.

Also, the Related Party Transactions undertaken by your Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

There are no materially significant related party transactions of your Company which have potential conflict with the interests of the Company at large.

The policy on related party transactions has been placed on the Company's website.

Insider Trading Code

The Securities and Exchange Board of India (SEBI) has promulgated the SEBI (Prohibition of Insider Trading) Regulations, 2015 ("The PIT Regulations"). The PIT Regulations has come into effect from May 15, 2015 and replaced the earlier old Regulations.

The object of the PIT Regulations is to curb the practice of insider trading in the securities of a listed company. The Company has adopted an 'Internal Code of Conduct for Regulating, Monitoring and Reporting of Trades by Insiders' ("the Code") in accordance with the requirements of the PIT Regulations.

The Code is applicable to Promoters and Promoter's Group, all Directors and such Designated Persons who are expected to have access to unpublished price sensitive information relating to the Company. Mr. M J Patel, Whole-time Director & CFO is the Compliance Officer for monitoring adherence to the said Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is displayed on the Company's website.

Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

The Company has complied with all requirements specified under Listing Regulations as well as other regulations and guidelines of SEBI. Consequently, there were no strictures or penalties imposed by either SEBI or the Stock Exchanges or any statutory authority for non-compliance of any matter related to the capital markets during the last three years.

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 Policy provides adequate safeguards against victimisation of Director(s)/ employee(s) and direct access to the Chairman of the Audit Committee in exceptional cases. The Protected Disclosures, if any reported under this Policy will be appropriately and expeditiously investigated by the Chairman.

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

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

Disclosure of Accounting Treatment

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements. Your Company has not adopted any alternative accounting treatment prescribed differently from the Accounting Standards.

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.

Remuneration to Directors

Non-Executive Directors including Independent Directors are paid fixed sitting fees for attending Board and Committee meetings, as approved by the Board of Directors within statutory limits. No remuneration by way of salary or perquisites or commission or stock option paid to any of the Non-Executive Directors during the financial year 2016-17.

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

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

Code of Conduct

Your Company has adopted a Code of Conduct for members of the Board and the Senior Management and Code of Conduct for Independent Directors. The same have been posted on the website. The Codes aim at ensuring consistent standards of conduct and ethical business practices across the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended 31st March, 2017. The declaration to this effect signed by Mr. J J Chandra, Chairman and Managing Director of the Company forms part of the report.

Web-link of the statutory policies/ Codes/ Charter/ Programmes

All the statutory policies, codes, charters, programmes etc. referred in this report are available on website of the company on web-link: http://atulauto.co.in/corporate_governance_reports.php

Compliance with discretionary requirements of regulation 27(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In addition to mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has also complied with following discretionary requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015:

Unmodified opinion in audit report:

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

REPORT ON CORPORATE GOVERNANCE Contd.

GENERAL SHAREHOLDER INFORMATION

GENERAL BODY MEETINGS OF LAST THREE YEARS:

Financial Year	Date and Time	Venue	Details of special resolutions passed
2013-14	11:00 am 12th August, 2014	Registered Office	Increase in remuneration of Mr. J J Chandra, Chairman and Managing Director Redesignate Mr. M J Patel as Whole-time Director & CFO and increase in remuneration Increase in remuneration of Mr. Niraj J Chandra, Whole-time Director Sub-division of face value of equity share of Rs.10/- each into two equity shares of face value of Rs.5/- each Alteration in Capital Clause (Clause V) of Memorandum of Association
2014-15	11:00 am 31st August, 2015	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	11:00 am 16th September, 2016	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

POSTAL BALLOT

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

ANNUAL GENERAL MEETING FOR FY 2016-17 :

Date	: Friday, 29th September, 2017
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, 23rd September, 2017
To	: Friday, 29th September, 2017

DIVIDEND PAYMENT DATE:

Interim Dividend for FY 2016-17

Declared by the Board of Directors	: Saturday, 12th November, 2016
Paid on	: Tuesday, 29th November, 2016

Final Dividend for FY 2016-17

Recommended by the Board of Directors	: Saturday, 13th May, 2017
Subject to declaration in AGM on	: Friday, 29th September, 2017
Paid by	: Saturday, 28th October, 2017

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

The Company has paid listing fees of both the stock exchanges for FY 2016-17.

ISIN

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

UNCLAIMED DIVIDEND/ SHARE CERTIFICATE

The dividend unclaimed/ unpaid for a period of more than seven years is compulsorily deposited in Investor Education and Protection Fund (IEPF) Account in accordance with Section 124 and 125 of the Companies Act, 2013 administered by the Central Government which cannot be claimed from the Company thereafter by the shareholders. The details of unclaimed dividend are posted on the website of the Company.

Details of Unclaimed Dividend and due dates for transfer are as follows as on 31st March, 2017:

Sr No	Financial Year	Type of Dividend	Unclaimed Amount (Rs.)	Due Date for transfer of unclaimed dividend to IEPF
1	2009 -10	Final	70,128	August 27, 2017
2	2010 -11	Final	1,61,720	August 29, 2018
3	2011 -12	Final	6,83,310	July 26, 2019
4	2012 -13	Final	4,22,124	August 15, 2020
5	2013 -14	Interim	3,18,904	November 27, 2020
6	2013 -14	Final	2,84,109	September 11, 2021
7	2014 -15	Interim	3,43,961	December 01, 2021
8	2014 -15	Final	3,98,773	September 30, 2022
9	2015 -16	Interim	3,82,487	November 30, 2022
10	2015 -16	Final	5,41,381	October 16, 2023
11	2016 -17	Interim	6,25,151	December 12, 2023

During the year under review, the Company has transferred Rs.79,167/- to IEPF towards Unclaimed Dividend of FY 2008-09.

TRANSFER OF SHARES TO IEPF

Pursuant to provisions of Section 124(6) of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("the Rules") notified by the Ministry of Corporate Affairs and subsequently amended vide notification dated 28th February, 2017, the Company is required to transfer all equity shares in respect of which dividend has not been paid or claimed by the shareholders for seven consecutive years to the Investor Education and Protection Fund (IEPF) set up by the Central Government. Accordingly, the Company sent individual communication to those shareholders whose shares are liable to be transferred to IEPF under the said Rules at their latest available address. The details of such shareholders and shares due for transfer to IEPF has been uploaded on website of the Company. The shareholders are requested to verify the details of shares liable to be transferred to IEPF.

Where shares are held in physical form, the Company will issue duplicate share certificate(s) and transfer the said shares to IEPF. Upon issue of such duplicate share certificate(s), the original share certificate(s) will be deemed to be cancelled. Where shares are held in demat form, the Company will give appropriate instructions to the Depositories such that the Depositories are able to transfer the said shares to demat account of the IEPF Authority.

The Shareholders may also note that both the unclaimed dividend and the shares transferred to IEPF, including all benefits accruing on such shares, if any, can be claimed back from the IEPF Authority after following the procedure prescribed under the Rules.

MARKET PRICE DATA:

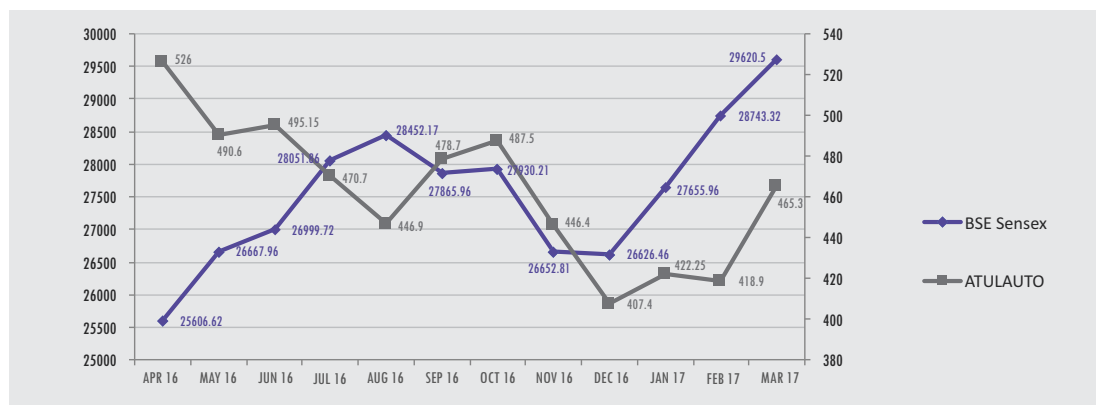
The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended 31st March, 2017 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-16	567.75	500.25	89419	567.95	499.00	708465
May-16	530.50	454.75	131146	526.00	454.50	1114337
Jun-16	519.90	465.00	109052	520.00	464.00	625338
Jul-16	501.20	465.00	88181	500.10	461.60	495375
Aug-16	474.45	392.00	199533	475.00	391.00	1291878
Sep-16	482.70	419.00	232248	482.90	421.00	1096181
Oct-16	504.00	468.25	227547	505.00	465.25	629282
Nov-16	512.00	401.05	105692	511.00	400.00	835801
Dec-16	451.00	396.50	60768	447.15	400.10	280625
Jan-17	473.00	401.00	87550	472.50	403.85	505630
Feb-17	435.00	411.00	86696	435.00	407.70	13099
Mar-17	488.20	400.00	291164	487.40	400.00	1887506

REPORT ON CORPORATE GOVERNANCE Contd.

PERFORMANCE IN COMPARISON TO BROAD-BASED INDICES

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 31st March, 2017 (based on month end closing):



SHARE TRANSFER SYSTEM

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

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder etc., as mentioned in 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. The same is placed before the Board of Directors from time to time for their review.

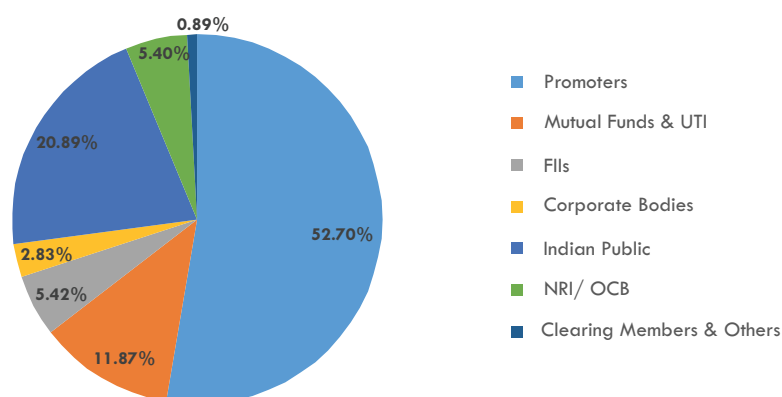
The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under regulation 49 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on 31st March, 2017 is as follows:

Shares of Nominal Value		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Amount	% of Amount
-	5000	20815	96.13%	11242645	10.25%
5001	10000	412	1.90%	2994160	2.73%
10001	20000	201	0.93%	2882020	2.62%
20001	30000	67	0.31%	1611175	1.47%
30001	40000	24	0.11%	851660	0.78%
40001	50000	17	0.08%	789255	0.72%
50001	100000	39	0.18%	2699955	2.46%
100001	ABOVE	78	0.36%	86645130	78.97%
		21653	100.00%	109716000	100.00%

CATEGORY-WISE SHAREHOLDING PATTERN AS ON 31st March, 2017



DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on 31st March, 2017 are as under:

	No. of shares	% of shares
Physical Mode	7,90,660	3.60%
NSDL Holding	1,70,14,243	77.54%
CDSL Holding	41,38,297	18.86%
Total	2,19,43,200	100.00%

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

The shareholders holding shares in physical form are requested to 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.

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

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, sharexindia@vsnl.com
Web: www.sharexindia.com

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

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

PLANT LOCATION:

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

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

REPORT ON CORPORATE GOVERNANCE Contd.

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED 31st March, 2017

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 31st March, 2017.

Shapar (Dist. Rajkot)
May 13, 2017

Chairman and Managing Director

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,
Shapar (Veraval), Dist. Rajkot

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

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

Shapar (Dist. Rajkot)
May 13, 2017

(J J Chandra)
Chairman and Managing Director

(M J Patel)
Whole-time Director & CFO



AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by Atul Auto Limited ('the Company'), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27, and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

The compliance of conditions of Corporate Governance is the responsibility of the Company's Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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

For Maharishi & Co.
Chartered Accountants
Firm's Registration No: 1 24872W

Ankit Gokani
Partner
M. No: 1 33391

Shapar (Dist. Rajkot)
May 13, 2017

INDEPENDENT AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS

To the Members of Atul Auto Ltd.

Report on the Standalone Financial Statements

We have audited the accompanying Standalone financial statements of ATUL AUTO LTD ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The company's board of directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation of these standalone financial statement that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the Accounting Standards specified u/s 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 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 standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and

fair presentation of the standalone financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by company's directors, as well as evaluating the overall presentation of the standalone financial statements.

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

Opinion

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

- a. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2017;
- b. in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;



- e. On the basis of written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, 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 of pending litigations on its standalone financial position in its financial statements refer note 31 to the standalone 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.
- iv. The Company has provided requisite disclosures in its standalone financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 30 to the standalone financial statements.

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

Ankit Gokani
Partner
Membership No. 133391

Shapar (Dist. Rajkot)
May 13, 2017

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 financial statements for the year ended 31st March, 2017]

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (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 except in case of land (approach road to new factory) at Bhayla, Ahmedabad being an agricultural land is in the name of Chairman & Managing Director.
- (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 or other parties covered in the register maintained under section 189 of the Act, accordingly,
- the provisions stated in paragraph 3 (iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and section 186 of the act, with respect to guarantee and investments made.
- (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.
- (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, wealth-tax, service tax, customs duty, excise duty, 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:

Name of the statute	Nature of dues	Amount	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income Tax	20,03,740	2007-08	Income Tax Appellate Tribunal
		41,82,480	2008-09	
		21,57,820	2009-10	
		57,39,956	2012-13	
		53,66,796	2013-14	
		16,39,775	2014-15	Commissioner Appeals
The Finance Act, 1994	Service Tax	32,97,342	2015-16	Commissioner Appeals
		55,56,652	2015-16	CESTAT
The Central Excise Act, 1944	Excise Duty	16,81,585	2006-07 & 2007-08	CESTAT
		1,03,025	2008-09 & 2009-10	Commissioner Appeals
		18,03,871	2011-12 to 2015-16	
The Gujarat VAT Act, 2006	VAT	13,54,543	2006-07	VAT Tribunal
	Sales Tax	11,83,791	2001-02 & 2002-03	Supreme Court
	CST	2,02,531	2001-02 & 2002-03	Supreme Court



- (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.
- (xii) In our opinion, the Company is not a nidhi company. Accordingly, the provisions of clause (xii) of paragraph 4 of the Companies (Auditor's Report) Order, 2016 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 41 of the standalone Financial Statements as required by

the applicable accounting standards.

- (xiv) Company has not made any private placement or preferential allotment during the year.
- (xv) According to information and explanation given to us and on the basis of books of accounts of the company no non cash transaction is entered into by the company during the year.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Ankit Gokani
Partner
Membership No: 133391

Shapar (Dist. Rajkot)
May 13, 2017

ANNEXURE B TO THE AUDITORS' REPORT

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

We have audited the internal financial control over financial reporting of ATUL AUTO LTD ('the company') as of 31st March, 2017 in conjunction with our audit of the standalone 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 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Control over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that

(1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorization of the management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017 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 Maharishi & co.
Chartered Accountants
Firm Registration No. 124872W

Ankit Gokani
Partner
Membership No: 133391

Shapur (Dist. Rajkot)
May 13, 2017

Standalone Balance Sheet as at 31st March, 2017

Particulars	Notes	31-Mar-17	31-Mar-16
I EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	3	112,044,850	112,044,850
(b) Reserves & Surplus	4	1,694,916,227	1,433,964,867
Sub-Total Shareholders' Fund		1,806,961,077	1,546,009,717
2 Non - Current Liabilities			
(a) Deferred tax liabilities (Net)	5	53,872,800	49,723,800
(b) Long-term provisions	6	11,796,916	5,061,798
Sub-Total Non - Current Liabilities		65,669,716	54,785,598
3 Current Liabilities			
(a) Trade payables	7		
(A) Total outstanding dues of micro enterprises and small enterprises		128,443,027	129,272,072
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		231,185,377	230,702,877
(b) Other current liabilities	8	161,313,640	139,164,437
(c) Short-term provisions	9	61,336,889	115,092,608
Sub-Total Current Liabilities		582,278,933	614,231,994
TOTAL EQUITY & LIABILITIES		2,454,909,726	2,215,027,309
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets	10	871,482,758	842,314,936
(ii) Intangible assets	10	-	3,697,568
(iii) Capital work-in-progress	10	31,579,139	28,619,918
(b) Non-current investments	11	78,116,241	9,876,241
(c) Long-term loans and advances	12	25,940,817	38,093,447
(d) Other Non Current Asset	13	13,759,560	8,967,613
Sub-Total - Non Current Assets		1,020,878,515	931,569,721
2 Current Assets			
(a) Inventories	14	362,336,677	347,230,758
(b) Trade receivables	15	477,652,155	763,457,799
(c) Cash and cash equivalents	16	571,024,877	128,249,663
(d) Short-term loans and advances	17	19,767,670	39,178,134
(e) Other current assets	18	3,249,832	5,341,234
Sub-Total - Current Assets		1,434,031,211	1,283,457,588
TOTAL ASSETS		2,454,909,726	2,215,027,309
Summary of Significant Accounting Policies	2.1		

The notes referred to above forms an integral part of the Balance Sheet.
As per our report of even date

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

Ankit Gokani, Partner
Membership No.: 133391
Shapar (Dist. Rajkot)
May 13, 2017

For and on behalf of Board

J J Chandra
Chairman and Managing Director
DIN : 00057722

M J Patel
Whole time Director & CFO
DIN : 00057735

Paras Viramgama
Company Secretary

Standalone Statement of Profit & Loss for the year ended 31st March, 2017

Particulars	Notes	31-Mar-17	31-Mar-16
I INCOME			
Sales	19	5,287,864,212	5,925,510,796
Less: Excise		-565,874,512	-645,401,041
Revenue from Operations		4,721,989,700	5,280,109,755
Other Operating Revenue		31,278,590	30,333,250
Other Income	20	25,160,394	13,130,462
TOTAL REVENUE		4,778,428,684	5,323,573,467
II EXPENSES			
Cost of Raw Material and Components Consumed	21	3,461,549,119	3,880,824,869
Purchases of Stock in Trade	22	3,917,058	-
Changes in inventories of finished goods work-in-progress	23	-8,615,719	-32,133,755
Employee benefits expense	24	390,352,844	373,443,480
Finance costs	25	5,796,696	7,811,027
Depreciation and amortization expense	26	52,840,785	52,902,882
Other expenses	27	307,432,431	325,466,270
TOTAL EXPENSES		4,213,273,213	4,608,314,773
III Profit before tax		565,155,471	715,258,694
IV Tax expense:	28		
(1) Current tax		187,802,802	243,475,677
(2) Deferred tax		4,149,000	-2,219,700
Sub-Total Tax Expenses		191,951,802	241,255,977
V PROFIT/(LOSS) FOR THE YEAR (III-IV)		373,203,669	474,002,717
VI Earnings per equity share	29	17.01	21.60
Basic & Diluted			
Summary of Significant Accounting Policies	2.1		

The notes referred to above forms an integral part of the statement of profit & loss.
As per our report of even date

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

Ankit Gokani, Partner
Membership No.: 133391
Shapar (Dist. Rajkot)
May 13, 2017

For and on behalf of Board

J J Chandra
Chairman and Managing Director
DIN : 00057722

M J Patel
Whole time Director & CFO
DIN : 00057735

Paras Viramgama
Company Secretary

Standalone Cash Flow Statement for the year ended 31st March, 2017

	31-Mar-17	31-Mar-16
A. Cash flow from operating activities		
Net profit before taxation	565,155,471	715,258,694
Adjustment for:		
Depreciation & Impairment	52,840,785	52,902,882
Loss/(Profit) on sale of fixed assets	-442,236	891,509
Unrealised Foreign Exchange Gain/(Loss)	-1,513,200	-523,752
Provision for diminution in value of Investment	-	-
Operating Profit before working capital changes	616,040,820	768,529,334
Movements in working capital:		
Decrease/-Increase in Trade Receivable	286,916,270	-441,441,214
Decrease/-Increase in Inventories	-15,105,919	-87,214,358
Decrease/-Increase in Current and Non Current Assets (Loans & Advances and Other Assets)	16,314,387	-2,474,628
Increase/-Decrease in Trade Payables	1,246,406	89,172,267
Increase/-Decrease in Non Current Liabilities	6,735,118	-24,969
Increase/-Decrease in Current Liabilities & Provisions	6,146,342	35,750,111
Total Movement in Working Capital	302,252,604	-406,232,791
Cash generated from operations	918,293,424	362,296,543
Direct taxes paid (net of refunds)	-195,311,171	-253,648,506
NET CASH FROM OPERATING ACTIVITIES	722,982,253	108,648,037
B. Cash flow from investing activities		
Purchase of fixed assets	-75,456,979	-102,527,874
Proceeds from sale of fixed assets	1,294,629	2,484,207
Investment in Associate Company	-68,240,000	-
NET CASH FLOW FROM INVESTING ACTIVITIES	-142,402,350	-100,043,667
C. Cash flow from financing activities		
Dividend paid	-115,208,819	-115,207,634
Tax on dividend paid	-23,453,805	-23,453,971
NET CASH CLOW FROM FINANCING ACTIVITIES	-138,662,624	-138,661,605
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	441,917,277	-130,057,235

Standalone Cash Flow Statement for the year ended 31st March, 2017

	31-Mar-17	31-Mar-16
Effect of change in cash or cash equivalent held in foreign currency due to exchange rate fluctuation	857,937	261,440
Cash and cash equivalents at the beginning of the year	128,249,663	258,045,458
Cash and cash equivalents at the end of the year	571,024,877	128,249,663
Components of cash and cash equivalents as at the end of the year		
Cash and cheques on hand	1,177,524	181,524
Investment in Liquid securities	158,881,806	-
Effect of change in cash or cash equivalent held in foreign currency due to exchange rate fluctuation		
Cheques on Hand	102,085	22,575,000
With bank		
- In current account	406,651,214	102,270,286
- In Unpaid Dividend account*	4,212,248	3,222,851
TOTAL	571,024,877	128,249,663

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 Accounting Standard - 3 on Cash Flow Statement.

3 *Cash and Bank Balance as per Note 16 includes Rs. 42,12,248/- (previous year Rs. 32,22,851/-) which are not available for use by the company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

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

Ankit Gokani, Partner
Membership No.: 133391
Shapar (Dist. Rajkot)
May 13, 2017

For and on behalf of Board

J J Chandra
Chairman and Managing Director
DIN : 00057722

M J Patel
Whole time Director & CFO
DIN : 00057735

Paras Viramgama
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1 Nature of Operations

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

2 Basis of Preparation

The financial statements have been prepared to comply in all material respects with the standards specified under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

Note No. 2.1 - Summary of Significant Accounting Policies

(a) Use of estimates

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

(b) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(c) Events occurring after balance date

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

(d) Depreciation

Depreciation is provided using the Straight Line Method according to useful life of assets as provided in schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during period is proportionately charged.

Useful lives of assets estimated by management (years)

Factory Buildings 30

Other Buildings 60

Plant and equipments 15

Furniture and fixtures 10

Office Equipment 5

Vehicles 8

Computer end user devise 3

Computer server 6

Windmill 22

(e) Intangible assets

Product Development Cost

Product Development Cost incurred on new vehicles platforms, variants on existing platforms and new vehicles aggregates are recognized as intangible assets and are included under fixed assets. These amounts are amortized over sixty months from the commencement of commercial production i.e. from 1st June, 2009.

SAP Implementation Charges

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

Research and development costs

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

- i. The technical feasibility of completing the intangible asset so that it will be available for use or sale
- ii. Its intention to complete the asset
- iii. Its ability to use or sell the asset
- iv. How the asset will generate future economic benefits
- v. The availability of adequate resources to complete the development and to use or sell the asset
- vi. The ability to measure reliably the expenditure attributable to the intangible asset during development.

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

(f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

SIGNIFICANT ACCOUNTING POLICIES Contd.

Sale of Goods

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

Interest

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

Dividends

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

Generation of Electricity

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

Others

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

(g) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of CENVAT recoverable.

(h) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

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

(iii) Exchange Differences

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

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment

acquired, whichever is more clearly evident. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

(j) Employee Benefits

Gratuity

The Gratuity Liability is defined benefit obligation. The company has created Employees Group Gratuity Fund which has taken a Group Gratuity Insurance Policy from Life Insurance Corporation of India (LIC). Premium on above policy as intimated by LIC is charged to the Profit & Loss Account. The adequacy of balances available is compared with actuarial valuation obtained at the period end. Shortfall, if any, is provided for in the statement of Profit & Loss.

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.

Leave Salary

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

(k) Borrowing Cost

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

(l) Segment Reporting

The company is engaged mainly in the business of automobile products. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical segment.

(m) Leases

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

(n) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) Income Taxes

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

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

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

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future

taxable income will be available against which such deferred tax assets can be realized.

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

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

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(p) Impairment of tangible and intangible assets

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

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

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

SIGNIFICANT ACCOUNTING POLICIES Contd.

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(q) Government grants and subsidies

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

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

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

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

(r) Provisions

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

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

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

Product Warranty Provisions

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The estimate of such warranty-related costs is revised annually.

After Sales Service Provisions

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

(s) Contingent liabilities

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

(t) Cash and cash equivalents

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

NOTES

3	SHARE CAPITAL	2016-17	2015-16
a	Authorised Shares		
	Equity Shares of Rs. 5 each		
	No of Share	30,000,000	30,000,000
	Amount	150,000,000	150,000,000
	Issued & Subscribed Shares		
	Equity Shares of Rs. 5 each		
	No of Share	23,224,600	23,224,600
	Amount	116,123,000	116,123,000
	Paid up Shares		
	Equity Shares of Rs. 5 each		
	No of Share	21,943,200	21,943,200
	Amount	109,716,000	109,716,000
	Share Forfeiture	2,328,850	2,328,850
	TOTAL SHARE CAPITAL	112,044,850	112,044,850
b	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares		
		2016-17	2015-16
		No.	Amount Rs.
	At the beginning of the period	21,943,200	109,716,000
	Outstanding at the end of the period	21,943,200	109,716,000

c Terms/Rights attached to Equity Shares

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

The company declares and pays dividend in Indian Rupees. Interim Dividend declared by the Board of Directors and paid by the company during the year is Rs.2.75/- per equity share of Rs. 5 each. Final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting of Rs 1.50/- Per Share. During the year ended 31 March, 2017 the amount of per share dividend recognized as distributed to equity shareholders was Rs 4.25/- per equity share of Rs.5/- each. (31 March 2016 : Rs.5.25 per equity share of Rs.5 each).

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

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

	2016-17		2015-16	
	No.	% of total holding	No.	% of total holding
	Equity Share of Rs.5 each		Equity Share of Rs.5 each	
Maheshbhai J Chandra	1,969,242	8.97%	1,290,666	5.88%
Jayantibhai J Chandra	1,351,742	6.16%	1,351,742	6.16%
Dharmendrabhai J Chandra	1,267,326	5.78%	1,267,326	5.78%
Harishbhai J Chandra	1,164,786	5.31%	1,164,786	5.31%
Birla Sunlife Trustee Company Private Limited	1,016,261	4.63%	1,114,159	5.08%

Increase in number of share held by Mr. Maheshbhai J Chandra is on account of shares received by inheritance from his mother Late Shrimati Kashiben Jagjivandas Chandra.

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.

NOTES

- 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

Year of Allotment	2012-13
No of Shares Allotted	3,657,200
Class of Shares	Equity Shares (Face value Rs. 10/-)

4 RESERVES & SURPLUS	2016-17	2015-16
a Capital Reserve	3,000,000	3,000,000
b Securities Premium Account	47,791,850	47,791,850
c General Reserve		
Opening Balance	172,106,221	124,705,949
Add: Transfer from Surplus	37,320,367	47,400,272
Closing Balance	209,426,588	172,106,221
d Surplus/(Deficit) in the statement of Profit & Loss		
Opening Balance	1,211,066,792	923,125,758
Add: Profit during the year	373,203,669	474,002,717
Less: Interim Dividend	-60,350,819	-60,349,634
Less: Tax on Interim Dividend	-12,286,007	-12,285,979
Less: Proposed Dividend	-32,914,800	-54,858,000
Less: Tax on Proposed Dividend	-6,700,679	-11,167,798
Less: Transfer to General Reserve	-37,320,367	-47,400,272
Net Surplus in the Statement of Profit & Loss	1,434,697,791	1,211,066,792
TOTAL RESERVES & SURPLUS	1,694,916,229	1,433,964,867
5 DEFERRED TAX LIABILITY	2016-17	2015-16
a Deferred Tax Liability		
Depreciation	59,672,200	56,576,900
Product Development Cost & SAP Fees	-	1,280,800
	59,672,200	57,857,700
b Deferred Tax Assets		
Impairment of Fixed Assets	623,800	623,800
Leave Salary	4,082,900	5,515,300
Gratuity	1,092,700	1,994,800
	5,799,400	8,133,900
NET DEFERRED TAX LIABILITY (a-b)	5 38 72 800	4 97 23 800
6 LONG TERM PROVISIONS	2016-17	2015-16
Provision for Employee Benefits		
Leave Salary	10,433,967	3,269,591
Other Provisions		
Provision for Warranty Claims	1,362,949	1,792,207
TOTAL LONG TERM PROVISIONS	11,796,916	5,061,798
7 TRADE PAYABLES	2016-17	2015-16
For Materials	331,639,174	308,031,261
For Capital Goods	1,714,380	3,762,694
For Transportation Expenses	9,737,334	28,944,633
For Services & Expenses	16,537,516	19,236,361
TOTAL TRADE PAYABLES	359,628,404	359,974,949

Details of dues to Micro, small and Medium Enterprises as per MSMED Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the company. The amount of principal and interest outstanding as at 31.03.2017 is given below:

(i) Amounts unpaid as at year end	Principal	128,399,175	129,010,796
	Interest	43,852	261,276
(ii) Amounts paid after appointed date during the year		23,441,720	81,399,812
(iii) Amount of interest accrued and unpaid as at year end		43,852	261,276
(iv) Amount of interest paid during the year as per section 16		-	-

8	OTHER CURRENT LIABILITIES	2016-17	2015-16
	Investor Education and Protection Fund will be credited by following amount (as and when due)*		
	Unpaid Dividends	4,212,248	3,222,851
	Advances from Customers	41,790,782	7,494,105
	Statutory Dues	32,676,860	35,796,736
	Dealer's Deposit	43,775,812	39,042,186
	Expenses Payable	38,857,938	53,608,559
	TOTAL OTHER CURRENT LIABILITIES	161,313,640	139,164,437

9	SHORT TERM PROVISIONS	2016-17	2015-16
(a)	Provision for Employee Benefits		
	Gratuity	31 57 156	57,63,766
	Leave Salary	13 62 863	12,666,038
	Sub-Total	4,520,019	18,429,804
	Other Provisions		
	Provision for After Sales Service	10,125,625	12,478,525
	Provision for PDI/WRC coupon	1,052,100	1,679,775
	Provision for Warranty Claims	8,475,607	7,588,110
	Provision for Income Tax (net of advance tax)	-2,451,942	8,890,597
	Proposed Dividend	32,914,800	54,858,000
	Provision for tax on Proposed Dividend	6,700,679	11,167,798
	Sub-Total	56,816,870	96,662,805
	TOTAL SHORT TERM PROVISION	61,336,889	115,092,608

(b) Provision for Gratuity

The company has a defined benefit gratuity plan. Every employee who has completed five years or more service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following table summaries the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans.

Net Employee Benefit Expense recognized in the employee cost

Current Service Cost	4,102,990	4,201,141
Interest cost on benefit obligation	2,594,579	2,089,792
Expected return on plan assets	-2,300,321	-2,138,872
Net actuarial (Gain)/Loss recognized in the year	-1,752,468	488,750
Net Benefit Expenses	2,644,780	4,640,811
Benefit asset/liability		
Present Value of defined benefit obligation	3,40,47,478	32,432,242
Fair Value of Plan Assets	-3,08,90,321	-26,668,476
Plan (Asset)/Liability	3,157,156	5,763,766
Changes in the present value of the defined benefit obligation are as follows:		
Opening defined benefit obligation	32,432,242	26,122,399
Interest Cost	2,594,579	2,089,792
Current service cost	4,102,990	4,201,141
Benefit paid	-3,269,448	-780,650
Actuarial (gains)/losses on obligation	-1,812,885	799,560
Closing defined benefit obligation	34,047,478	32,432,242
Changes in the fair value of plan assets are as follows:		
Opening fair value of plan assets	26,668,476	20,999,444
Expected return	2,300,321	2,138,872
Contribution by employer	5,251,390	4,000,000
Benefits paid	-3,269,448	-780,650
Actuarial gains/(losses)	-60,418	310,810
Closing fair value of plan assets	30,890,321	26,668,476

NOTES

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows

Investments with Insurer	100%	100%
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The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Discount rate	8.00%	8.00%
Expected rate of return on assets	8.50%	8.50%

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

Amounts for the current and previous to periods are as follows	2016-17	2015-16	2014-15	2013-14	2012-13
Defined Benefit Obligation	34,047,478	32,432,242	26,122,399	22,898,246	20,366,966
Plan Assets	30,890,321	26,668,476	20,999,444	20,478,749	11,408,364
Experience Adjustment					
Plan Liabilities	-1,812,885	799,560	-1,511,520	-867,900	3,855,220
Plan Assets	-60,418	310,810	-169,591	1,104,415	860,430

(d) Provision for Warranties

A provision is recognized for expected warranty claims for last 24 months based on past experience of the level of repairs and returns. It is expected that significant portion of these costs will be incurred in the next financial year. Assumption used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for all products sold. The table given below gives information about movements in warranty provisions.

At the beginning of the year	9,380,317	11,681,646
Arising during the year	14,041,325	12,257,232
Utilised during the year	-13,583,086	-14,558,561
At the end of the year	9,838,556	9,380,317

(e) Provision for After Sales Services

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

At the beginning of the year	12,478,525	11,114,375
Arising during the year	15,132,128	19,147,253
Utilised during the year	-17,485,028	-17,783,103
At the end of the year	10,125,625	12,478,525

(f) Provision for WRC

At the beginning of the year	1,679,775	1,327,700
Arising during the year	2,967,195	4,279,820
Utilised during the year	-3,594,870	-3,927,745
At the end of the year	1,052,100	1,679,775

10 FIXED ASSETS

Particulars	Land	Buildings	Plant & Machinery (Including Electric Fitting)	Furniture & Fittings	Computer	Office Equipment	Vehicles	TOTAL Tangible Assets	Product Development	ERP System	Intangible
GROSS BLOCK											
As at 31/03/2015	318,195,633	183,232,612	554,786,121	18,014,544	20,661,554	11,408,218	31,058,958	1,137,357,640	19,509,921	12,691,718	32,201,639
Addition	67,411,121	-	28,902,847	811,336	2,039,329	728,024	8,033,595	107,926,253	-	-	-
Deletion	11,307	-	-	-	-	-	5,821,771	5,833,078	-	-	-
As at 31/03/2016	385,595,447	183,232,612	583,688,969	18,825,880	22,700,883	12,136,242	33,270,782	1,239,450,815	19,509,921	12,691,718	32,201,639
Addition	5,254,044	12,510,342	42,508,359	4,657,084	2,080,256	873,742	11,279,603	79,163,430	-	-	-
Deletion	-	-	-	-	823,200	-	2,689,097	3,512,297	-	-	-
As at 31/03/2017	390,849,491	195,742,954	626,197,328	23,482,964	23,957,939	13,009,985	41,861,288	1,315,101,948	19,509,921	12,691,718	32,201,639
ACCUMULATED DEPRECIATION											
As at 31/03/2015	-	44,465,152	251,858,037	10,985,832	16,575,635	7,775,906	15,738,305	347,398,868	19,509,921	6,483,307	25,993,228
Addition	-	6,548,028	34,205,621	1,336,514	2,597,486	1,518,696	4,185,692	50,392,038	-	2,510,844	2,510,844
Deletion	-	-	-	-	-	-	2,457,362	2,457,362	-	-	-
As at 31/03/2016	-	51,013,180	286,063,658	12,322,347	19,173,121	9,294,602	17,466,635	395,333,544	19,509,921	8,994,151	28,504,072
Addition	-	6,353,343	33,672,565	1,344,341	1,991,844	1,373,008	4,408,143	49,143,218	-	3,697,567	3,697,567
Deletion	-	-	-	-	697,804	-	1,962,100	2,659,904	-	-	-
As at 31/03/2017	-	57,366,524	319,736,224	13,666,688	20,467,162	10,667,610	19,912,678	441,816,859	19,509,921	12,691,718	32,201,639
IMPAIRMENT											
As at 31/03/2015	-	-	1,733,650	-	-	68,682	-	1,802,332	-	-	-
Addition	-	-	-	-	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2016	-	-	1,733,650	-	-	68,682	-	1,802,332	-	-	-
Addition	-	-	-	-	-	-	-	-	-	-	-
Deletion	-	-	-	-	-	-	-	-	-	-	-
As at 31/03/2017	-	-	1,733,650	-	-	68,682	-	1,802,332	-	-	-
NET BLOCK											
As at 31/03/2016	385,595,447	132,219,432	295,891,659	6,503,533	3,527,762	2,772,959	15,804,147	842,314,939	-	3,697,567	3,697,567
As at 31/03/2017	390,849,491	138,376,430	304,727,454	9,816,276	3,490,778	2,273,693	21,948,610	871,482,758	-	-	0

NOTES

11 NON-CURRENT INVESTMENT	2016-17	2015-16
Trade Investments (Valued at cost unless stated otherwise)		
Investment in Equity Instrument (Quoted)	3,441	3,441
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/-))		
Extent of Holding	less than 1%	less than 1%
Non- Trade Investments (Valued at cost unless stated otherwise)		
Investment in Associates (Unquoted)	78,112,800	9,872,800
91,20,000 (previous year 22,96,000) equity shares of Rs. 10 each in Khushbu Auto Finance Limited (At cost less provision for other than temporary diminution made on 31/03/2015 - Rs.23,87,840/-, 31/03/2012 - Rs.1,06,99,360/- total Rs.1,30,87,200/-)		
Extent of Holding	30.00%	49.91%
Aggregate amount of quoted investment	3,441	3,441
Aggregate amount of unquoted investment	78,112,800	9,872,800
TOTAL NON CURRENT INVESTMENT	78,116,241	9,876,241
12 LONG TERM LOANS & ADVANCES (Unsecured Considered Good)	2016-17	2015-16
Advances for Capital Goods	17,091,582	25,805,575
Security Deposit	2,399,686	1,587,403
Balance with Govt authority	6,449,549	10,700,469
TOTAL LONG TERM LOANS & ADVANCES	25,940,817	38,093,447
13 OTHER NON CURRENT ASSETS	2016-17	2015-16
Non-Current Bank Balances	13,759,560	8,967,613
Receivables against sale of assets (Unsecured Considered good)	-	-
TOTAL OTHER NON CURRENT ASSETS	13,759,560	8,967,613
14 INVENTORIES (Valued at Cost or Net Realisable Value whichever is lower)	2016-17	2015-16
Raw Material	245,283,355	238,389,472
Work In Progress	6,561,577	18,299,999
Finished Goods	99,654,852	79,300,711
Stores & Spares	10,836,893	11,240,577
TOTAL INVENTORIES	362,336,677	347,230,758
15 TRADE RECEIVABLES	2016-17	2015-16
Unsecured Considered Good		
Outstanding for more than 6 months from the date they become due for payment	8,112,033	3,542,460
Others	469,540,122	759,915,339
TOTAL TRADE RECEIVABLES	477,652,155	763,457,799
Trade Receivables includes:		
Dues from partnership firm in which the company's directors' relative are partners	4,503,763	7,814,137
Dues from company in which the company's directors' relative are directors/ shareholders	-	55,086,817



16	CASH & CASH EQUIVALENT	2016-17	2015-16
	Cash on Hand	1,177,524	181,524
	Balances with Bank		
	In Current Accounts	406,651,214	102,270,286
	In unpaid dividend account	4,212,248	3,222,851
	Cheques on Hand	102,085	22,575,000
	Investment in securities for maturities less than 90 days	158,881,806	-
	TOTAL CASH & CASH EQUIVALENT	571,024,877	128,249,663
	Other Bank Balances (disclosed under Note 13)		
	In Fixed Deposit Account with original maturity of more than three months	13,759,560	8,967,613
	Deposit of Rs. 137,59,560/- held as security against guarantee given by Bank.		
17	SHORT TERM LOANS & ADVANCES	2016-17	2015-16
	Advances to be received in cash or in kind (unsecured and considered good)		
	Advances to Suppliers		
	For Import of Raw Material	-	323,781
	For Import of Traded Goods	311,432	3,233,851
	For Others	6,085,271	19,771,340
	Advance to Employees	2,511,831	2,385,727
	Pre paid Expenses	3,652,971	5,862,743
	Balances with Govt Authority	7,206,167	7,600,693
	TOTAL SHORT TERM LOANS & ADVANCES	19,767,672	39,178,135
	Short Term Loans & Advances includes		
	Dues from Key Managerial Personnel	-	-
	Dues from relatives of Key Managerial Personnel	-	-
18	OTHER CURRENT ASSETS	2016-17	2015-16
	Income receivable	1,804,209	1,301,791
	Other Assets - Import Licence	1,445,623	1,652,981
	Receivable from AMC	-	2,386,462
	TOTAL OTHER CURRENT ASSETS	3,249,832	5,341,234

NOTES

19	REVENUE FROM OPERATIONS	2016-17	2015-16
	Sales of Vehicles	4,567,552,702	5,124,305,891
	Domestic	4,866,508,230	5,579,479,781
	Export (including merchant export)	245,842,676	170,877,527
	Less: Excise Duty	-544,798,204	-626,051,417
	Sales of Spares	154,042,161	155,803,864
	Domestic	159,997,027	158,568,920
	Export (including merchant export)	15,121,442	16,584,568
	Less: Excise Duty	-21,076,308	-19,349,624
	Sales of Traded Goods	394,837	-
		4,721,989,700	5,280,109,755
	Other Operating Revenue	31,278,590	30,333,250
	TOTAL REVENUE FROM OPERATIONS	4,753,268,290	5,310,443,005

Excise duty on sales amounting to Rs. 56,58,74,512/- (31 March 2016: Rs. 64,54,01,041/-) has been reduced from sales in statement of profit and loss and excise duty on increase/decrease in stock amounting to (Rs. 11,84,299/-) (31 March 2016: (Rs. 49,04,750/-)) has been considered as (income)/expense in note 27 of financial statements.

Details of Product Sold under broad category - Domestic

		Amount	2016-17	2015-16
Atul Gem	Amount	2,778,544,043	3,241,418,676	
	Nos.	22,536	26,833	
Atul Gemini	Amount	319,378,692	237,855,478	
	Nos.	3,279	2,471	
Atul Shakti	Amount	1,163,908,550	1,395,521,099	
	Nos.	10,149	12,387	
Atul Smart	Amount	47,546,157	78,633,112	
	Nos.	402	672	
Atul E-Rickshaw	Amount	12,332,584	-	
	Nos.	141	-	
Spares		138,920,719	139,219,295	
TOTAL		4,460,630,745	5,092,647,660	

Details of Product Sold under broad category - Export

		Amount	2016-17	2015-16
Atul Gem	Amount	82,944,435	66,030,262	
	Nos.	635	483	
Atul Gemini	Amount	155,119,329	92,650,532	
	Nos.	1,595	944	
Atul Smart	Amount	7,778,912	12,196,732	
	Nos.	58	103	
Spares		15,121,442	16,584,568	
TOTAL		260,964,118	187,462,095	

20	OTHER INCOME	2016-17	2015-16
	(a) Dividend	-	5,490,216
	(b) Gain on Sale of Mutual Fund	21,868,204	6,411,995
	(c) Interest on		
	Bank Fixed Deposit	828,637	1,138,240
	Other Deposits	-	89,833
	Corporate Guarantee	253,668	-
	(d) Profit on Sale of Fixed Assets	495,222	178
	(e) Risk Pool Income	514,663	-
	(f) Rent Income	1,200,000	-
	TOTAL OTHER INCOME	25,160,394	13,130,462

(a) Dividend includes dividend from investment in securities for less than 90 days.

21	COST OF RAW MATERIAL AND COMPONENTS CONSUMED	2016-17	2015-16
	Consumption of Material	3,388,039,898	3,799,140,929
	Purchase Expenses	51,167,014	54,483,615
	Processing Charges	22,342,207	27,200,325
	TOTAL COST OF RAW MATERIAL AND COMPONENTS CONSUMED	3,461,549,119	3,880,824,869
	Major Components of Raw Material Consumption		
	Engine	998,862,344	1,219,803,737
	Tyre	158,676,367	198,527,954
	Battery	85,819,837	95,453,414
	Other material, Process Charge and Purchase Expenses	2,218,190,571	2,367,039,764
		3,461,549,119	3,880,824,869

22	PURCHASES OF STOCK IN TRADE	2016-17	2015-16
	Purchases of Stock in Trade	3,917,058	-
	TOTAL PURCHASES OF STOCK IN TRADE	3,917,058	-
	Bifurcation of Purchases Stock in Trade		
	Golf Car	3,917,058	

23	CHANGES IN INVENTORIES OF FINISHED GOODS AND WORK-IN-PROGRESS	2016-17	2015-16
	Work in progress		
	Opening Stock	18,299,999	21,878,993
	Closing Stock	6,561,577	18,299,999
		11,738,422	3,578,994
	Finished Goods		
	Opening Stock	79,300,711	43,587,962
	Closing Stock	99,654,852	79,300,711
		-20,354,141	-35,712,749
	TOTAL CHANGES IN INVENTOREIS	-8,615,719	-32,133,755

24	EMPLOYEE BENEFIT EXPENSES	2016-17	2015-16
	Salary, Wages & Bonus	321,451,250	305,180,028
	Directors Remuneration	27,806,800	24,308,000
	Contribution to PF, Gratuity and superannuation	19,794,930	20,196,110
	Staff Welfare Expenses	21,299,864	23,759,342
	TOTAL EMPLOYEE BENEFIT EXPENSES	390,352,844	373,443,480

25	FINANCE COST	2016-17	2015-16
	Interest Expenses	1,249,177	1,480,882
	Interest on Income Tax	2,708,741	4,633,203
	Interest On MSMED Supplier	-217,425	143,214
	Bank Charges	1,295,397	943,424
	Other Borrowing Cost	760,806	610,304
	TOTAL FINANCE COST	5,796,696	7,811,027

26	DEPRECIATION & AMORTISATION	2016-17	2015-16
	Depreciation	49,143,217	50,392,038
	Amortisation	3,697,568	2,510,844
	TOTAL DEPRECIATION & AMORTISATION	52,840,785	52,902,882

NOTES

27	OTHER EXPENSES	2016-17	2015-16
	(Increase)/Decrease of Excise Duty on Finished Goods	1,184,299	4,904,750
	Repairs to Buildings	3,957,869	5,108,699
	Repairs to Machinery	13,404,744	15,325,567
	Research & Development Expenses	2,020,883	5,016,933
	Windmill Operation Charges	804,723	896,213
	Power & Fuel	27,809,470	31,434,031
	Vehicle Expenses	10,202,600	5,478,833
	Advertising & Sales Promotion	68,261,001	87,738,831
	Freight & Forwarding Expenses	38,505,608	31,932,360
	Travelling & Conveyance	40,423,362	42,584,039
	Warranty & After Sales Services	30,396,904	33,498,960
	Auditor's Remuneration	1,812,406	1,505,323
	Communication Cost	4,152,705	4,285,309
	Director's Sitting Fees	498,500	415,000
	Donation	4,373,350	5,217,234
	Exchange Rate Difference	720,465	-1,977,147
	Insurance	3,748,253	2,624,848
	Legal & consultancy Charges	5,387,054	2,954,501
	Office Admin Expenses	6,666,235	6,780,429
	Other miscellaneous expenses	5,573,582	8,245,807
	Printing & Stationary	3,625,829	5,669,509
	Rates and taxes	9,261,237	1,875,267
	Rent	5,595,708	4,689,107
	Repairs to Others	19,045,644	19,261,867
	TOTAL OTHER EXPENSES	307,432,431	325,466,270
	Auditor's Remuneration includes		
	For Audit Fee	750,000	850,000
	For Limited Review	150,000	135,000
	For Taxation matters	850,000	490,000
	Other Matters	-	-
	Reimbursement expense	62,406	30,323
	TOTAL	1,812,406	1,505,323
28	TAX EXPENSES	2016-17	2015-16
	Current Tax	188,946,000	245,133,000
	Tax of Earlier years	-1,143,198	-1,657,323
		187,802,802	243,475,677
	Deferred Tax	4,149,000	-2,219,700
	TOTAL TAX EXPENSES	191,951,802	241,255,977
29	EARNING PER SHARE	2016-17	2015-16
	Net profit as per statement of Profit & Loss	373,203,669	474,002,717
	No. of Shares (Face value of Rs. 5/- each)	21,943,200	21,943,200
	EARNING PER SHARE	17.01	21.60



30 Disclosure of Cash Deposited during Demonitisation Period				
Particulars	Balance	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	295,417	142,000	153,417	295,417
(+) Permitted receipts	1,042,000	-	1,042,000	1,042,000
(-) Permitted payments	632,478	-	632,478	632,478
(-) Amount deposited in Banks	142,000	142,000	-	142,000
Closing cash in hand as on 30.12.2016	562,939	-	562,939	562,939

31 CONTINGENT LIABILITIES NOT ACKNOWLEDGED AS DEBT		2016-17	2015-16
CST		-	-
Sales Tax		2,740,865	1,354,543
Excise Duty		3,588,481	3,588,481
Service Tax		8,853,994	4,636,801
Income Tax		21,090,567	14,059,680
Case Pending before Consumer Forum		2,368,838	3,145,750
Case filed by investor for non allotment of right issue shares		1,346,259	1,346,259
Pending C form		120,206,116	135,822,931
Amount of Guarantee given to Bank on behalf of an Associate		500,000,000	-
TOTAL CONTINGENT LIABILITIES		660,195,120	163,954,444

32 ESTIMATED AMOUNT OF CONTRACTS REMAINING TO BE EXECUTED ON CAPITAL ACCOUNTS AND NOT PROVIDED FOR		
	2016-17	2015-16
For Purchase of Assets	9,103,315	11,537,003

33 VALUE OF IMPORT ON CIF BASIS		
	2016-17	2015-16
Purchase of Raw material	71,855,394	65,638,654
Purchase of Capital Good	1,470,324	894,265
Purchase of Software	60,475	-

34 Expenditure in foreign currency (accrual basis)		
	2016-17	2015-16
Travelling	3,310,786	660,924

35 Net dividend remitted in foreign exchange		
	2016-17	2015-16
Period for which it relates	-	-
No. of Non Resident Shareholders	-	-
No. of Equity Shares held on which dividend was due	-	-
Amount Remitted	-	-

36 Earnings in foreign currencies		
	2016-17	2015-16
Export at F.O.B. Value of vehicle and spares	256,303,342	182,741,237
Technical service income	7,098,027	6,974,240

37 Consumption	2016-17		2015-16	
	Amount	%	Amount	%
Imported	67,615,010	2.00%	50,398,989	1.33%
Indigenous	3,320,424,888	98.00%	3,748,741,940	98.67%
Total	3,388,039,898	100.00%	3,799,140,929	100.00%

NOTES

38	CSR Expenditures during the year	2016-17	2015-16
	Contribution to trusts/associations for medical relief activities	1,800,000	3,127,000
	Expenditure on renewable energy projects	0	913,217
	Contribution to trusts/associations for education	1,590,500	537,800
	Contribution to trusts/associations for national heritage and culture	35,000	0
	Contribution to trusts/associations for environmental sustainability and animal welfare projects	0	63,100
	Contribution to trusts/associations for benefits of armed forces veterans	0	11,000
	Contribution to trusts/associations for disaster relief	0	500,000
	TOTAL CSR EXPENDITURE	3,425,500	5,152,117

39	Operating Lease - Company as a Lessee	2016-17	2015-16
	The company has entered into commercial leases on office building. These leases have an average life of between one and three years with no renewal option included in the contracts. There are no restrictions placed upon the company by entering into these leases.		
	Future minimum rentals payable under non-cancellable operating leases are as follows:		
	Within one year	5,633,622	1,975,851
	After one year but not more than five years	7,792,757	1,337,614
	More than five years	-	-

40	Particulars of Unhedged Foreign Currency at the reporting date	2016-17	2015-16
	Export Trade Receivable	USD 436,027	327,940
		INR 28,271,359	21,753,279
	Import Trade Payable	USD 322,718	118,551
		INR 20,924,596	8,045,547

41	Other Notes
	1 Previous year figures are regrouped, re arranged & re casted wherever necessary

42 RELATED PARTY DISCLOSURE			
a Name of Related Parties			
Associate Company			
Khushbu Auto Finance Limited			
Key Management Personnel			
J J Chandra, Chairman & Managing Director			
M J Patel, Whole time Director & CFO			
Niraj J Chandra, Whole time Director			
Paras Viramgama, Company Secretary			
Enterprises owned or significantly influenced by key personal management or their relatives			
Atul Auto Agency			
Atul Auto Industries			
Atul Automotives			
Atul Motors Pvt. Ltd.			
Atul Petroleum			
Khushbu Auto Private Limited			
New Chandra Motor Cycle Agency			
New Chandra Motor Cycle House			
Manas Bullion			
b Transaction with Related Parties		2016-17	2015-16
Enterprise owned or significantly influenced by key management personnel or their relatives			
Sales (inclusive of tax)			
Khushbu Auto Private Limited		424,962,880	549,306,765
New Chandra Motor Cycle Agency		18,471,443	36,138,612
New Chandra Motor Cycle House		3,033,235	4,141,833
TOTAL		446,467,558	589,587,210
Purchase (inclusive of tax)			
New Chandra Motor Cycle House		325,150	866,611
Atul Auto Industries		14,569,798	5,220,917
TOTAL		14,894,948	6,087,528
Amount of guarantees given to bank on behalf of an Associate		500,000,000	-
		500,000,000	-
Interest on Corporate Guarantee			
Khushbu Auto Finance Limited		253,668	-
TOTAL		253,668	-
Rent Income			
Khushbu Auto Finance Limited		1,380,000	-
		1,380,000	-
Warranty Claims/After Sales Service/PDI/WRC Charges/Sales Incentive/Interest on dealer deposit/Free Service Camp Expense			
Khushbu Auto Private Limited		1,753,059	1,645,277
New Chandra Motor Cycle Agency		273,887	107,646
TOTAL		2,026,946	1,752,923
Finance Subvention Expenses (inclusive of tax)			
Khushbu Auto Finance Limited		2,914,100	-
TOTAL		2,914,100	-
Purchase of Fixed Asset			
Atul Motors Pvt Ltd			858,144
Atul Auto Industries		1,052,307	
TOTAL		1,052,307	858,144

NOTES

	2016-17	2015-16
Other Expenses		
Atul Auto Industries	3,316	-
Atul Motors Pvt Ltd	320,537	-
N J Chandra	-	120,000
Manas Bullion	-	-
TOTAL	323,853	120,000
Key Managerial Personnel		
Remuneration		
J J Chandra	12,450,000	10,850,000
M J Patel	10,800,000	9,400,000
N J Chandra	5,050,000	4,400,000
Paras Virangama	457,596	383,089
TOTAL	28,757,596	25,033,089
Relatives of Key Managerial Personnel		
Salary K J Chandra	1,100,040	1,076,100
TOTAL	1,100,040	1,076,100
c Balance outstanding as at the end of the Year		
Enterprise owned or significantly influenced by key management personnel or their relatives		
Receivable	4,503,763	62,900,953
Payable	15,986,745	3,337
Equity Capital Contribution Associate Company	91,200,000	22,960,000

INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To the Members of Atul Auto Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statement of ATUL AUTO LTD ('the Holding Company') and its associate (collectively referred to as 'the Company' or 'the Group'), comprising the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated 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 of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) rules, 2014. The Board of Directors of the Company is responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; 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 consolidated financial statements 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 the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on the consolidated 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 financial statement, whether due to fraud or error. In making those risk assessments, the auditor consider internal financial control relevant to the Holding Company's preparation of 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 financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31 March 2017, and their consolidated profit and their consolidated cash flow for the year ended on that date.

Report on other legal and regulatory requirements

As required by sub-section 3 of Section 143 of the Act, 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 financial statements.
- b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books
- c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014,
- e. On the basis of the written representations received from the directors of the Holding company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its associate company incorporated in India, none of the Directors of the Group companies incorporated in India is disqualified as on 31 March 2017 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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer to Note 31 to the consolidated financial statements;
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Refer to Note 9 to the consolidated financial statements; and
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and associate company incorporated in India.
- iv. the Company has provided requisite disclosures in its consolidated financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and these are in accordance with the books of accounts maintained by the Company. Refer to Note 30 to the consolidated financial statements.

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

Ankit Gokani
Partner
Membership No: 133391

Shapar (Dist. Rajkot)
May 13, 2017



ANNEXURE A TO INDEPENDENT AUDITORS' REPORT

Report on the Internal Financial Controls 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 the Company as of and for the year ended 31st March 2017, we have audited the Internal financial controls over financial reporting of ATUL AUTO LTD ('the Holding Company') 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 Holding Company 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 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 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') issued by ICAI 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 an audit of internal financial controls, 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 was 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 consolidated 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 Controls 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 purposes 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 expenditure of the Company are being made only in accordance with authorizations of 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 misstatements 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 Holding Company and its associate company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal controls 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 ICAI.

**For Maharishi & co.
Chartered Accountants
Firm Registration No. 124872W**

**Ankit Gokani
Partner
Membership No: 133391**

Shapar (Dist. Rajkot)
May 13, 2017

Consolidated Balance Sheet as at 31st March, 2017

Particulars	Notes	31-Mar-17	31-Mar-16
I EQUITY AND LIABILITIES			
1 Shareholders' Fund			
(a) Share Capital	3	112,044,850	112,044,850
(b) Reserves & Surplus	4	1,686,033,351	1,424,092,067
Sub-Total Shareholders' Fund		1,798,078,201	1,536,136,917
2 Non - Current Liabilities			
(a) Deferred tax liabilities (Net)		53,872,800	49,723,800
(b) Long-term provisions		11,796,916	5,061,798
Sub-Total Non - Current Liabilities		65,669,716	54,785,598
3 Current Liabilities			
(a) Trade payables			
(A) Total outstanding dues of micro enterprises and small enterprises		128,443,027	129,272,072
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		231,185,377	230,702,877
(b) Other current liabilities		161,313,639	139,164,437
(c) Short-term provisions		61,336,888	115,092,609
Sub-Total Current Liabilities		582,278,931	614,231,995
TOTAL EQUITY & LIABILITIES		2,446,026,848	2,205,154,510
II ASSETS			
1 Non-Current Assets			
(a) Fixed Assets			
(i) Tangible assets		871,482,758	842,314,934
(ii) Intangible assets		-	3,697,568
(iii) Capital work-in-progress		31,579,139	28,619,918
(b) Non-current investments	5	69,233,365	3,441
(c) Long-term loans and advances		25,940,817	38,093,446
(d) Other Non Current Asset		13,759,560	8,967,613
Sub-Total - Non Current Assets		1,011,995,639	921,696,920
2 Current Assets			
(a) Inventories		362,336,677	347,230,758
(b) Trade receivables		477,652,155	763,457,799
(c) Cash and cash equivalents		571,024,877	128,249,663
(d) Short-term loans and advances		19,767,668	39,178,136
(e) Other current assets		3,249,832	5,341,234
Sub-Total - Current Assets		1,434,031,209	1,283,457,590
TOTAL ASSETS		2,446,026,848	2,205,154,510
Summary of Significant Accounting Policies	2.1		

The notes referred to above forms an integral part of the Balance Sheet.
As per our report of even date

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

Ankit Gokani, Partner
Membership No.: 133391
Shapar (Dist. Rajkot)
May 13, 2017

For and on behalf of Board

J J Chandra
Chairman and Managing Director
DIN : 00057722

M J Patel
Whole time Director & CFO
DIN : 00057735

Paras Viramgama
Company Secretary

Consolidated Statement of Profit & Loss for the year ended 31st March, 2017

Particulars	Notes	31-Mar-17	31-Mar-16
I INCOME			
Sales		5,287,864,212	5,925,510,797
Less: Excise		-565,874,512	-645,401,041
Revenue from operations		4,721,989,700	5,280,109,756
Other Operating Revenue		31,278,590	30,333,250
Other Income		25,160,394	13,130,462
TOTAL REVENUE		4,778,428,684	5,323,573,468
II EXPENSES			
Cost of Raw Material and Components Consumed		3,461,549,119	3,880,824,869
Purchase of Stock in Trade		3,917,058	-
Changes in inventories of finished goods work-in-progress		-8,615,719	-32,133,755
Employee benefits expense		390,352,844	373,443,480
Finance costs		5,796,696	7,811,027
Depreciation and amortization expense		52,840,785	52,902,882
Other expenses		307,432,431	325,466,270
TOTAL EXPENSES		4,213,273,215	4,608,314,773
III Profit before tax		565,155,469	715,258,695
IV Tax expense:			
(1) Current tax		187,802,802	243,475,677
(2) Deferred tax		4,149,000	-2,219,700
Sub-Total Tax Expenses		191,951,802	241,255,977
V Profit after tax		373,203,667	474,002,718
VI A) Share in net profit/(loss) of associate		-2,416,138	-
B) Profit on account of partial dilution of stake in an associate		7,690,580	-
VII PROFIT/(LOSS) FOR THE YEAR (V-VI)		378,478,110	474,002,718
VIII Earnings per equity share			
Basic & Diluted		17.25	21.60
Summary of Significant Accounting Policies	2.1		

The notes referred to above forms an integral part of the Statement of profit & loss.
As per our report of even date

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

Ankit Gokani, Partner
Membership No.: 133391
Shapar (Dist. Rajkot)
May 13, 2017

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J J Chandra
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Paras Viramgama
Company Secretary

Consolidated Cash Flow Statement for the year ended 31st March, 2017

	31-Mar-17	31-Mar-16
A. Cash flow from operating activities		
Net profit/(loss) for the year	378,478,110	474,002,718
Adjustment for:		
Share of Loss in associate	-5,274,442	-
Tax Expenses (Net)	191,951,802	241,255,977
Depreciation & Impairment	52,840,785	52,902,882
Loss/(Profit) on sale of fixed assets	-442,236	891,509
Unrealised Foreign Exchange Gain/(Loss)	-1,513,200	-523,752
Provision for diminution in value of Investment	-	-
Operating Profit before working capital changes	616,040,819	768,529,335
Movements in working capital:		
Decrease/-Increase in Trade Receivable	286,916,270	-441,441,214
Decrease/-Increase in Inventories	-15,105,919	-87,214,358
Decrease/-Increase in Current and Non Current Assets (Loans & Advances and Other Assets)	16,314,390	-2,474,629
Increase/-Decrease in Trade Payables	1,246,406	89,172,267
Increase/-Decrease in Non Current Liabilities	6,735,118	-24,969
Increase/-Decrease in Current Liabilities & Provisions	6,146,339	35,750,112
Total Movement in Working Capital	302,252,604	-406,232,791
Cash generated from operations	918,293,423	362,296,544
Direct taxes paid (net of refunds)	-195,311,171	-253,648,506
NET CASH FROM OPERATING ACTIVITIES	722,982,252	108,648,038
B. Cash flow from investing activities		
Purchase of fixed assets	-75,456,977	-102,527,870
Proceeds from sale of fixed assets	1,294,629	2,484,207
Investment in Associate Company	-68,240,000	-
NET CASH FLOW FROM INVESTING ACTIVITIES	-142,402,348	-100,043,663
C. Cash flow from financing activities		
Dividend paid	-115,208,819	-115,207,634
Tax on dividend paid	-23,453,805	-23,453,971
NET CASH CLOW FROM FINANCING ACTIVITIES	-138,662,624	-138,661,605
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	441,917,278	-130,057,234

	31-Mar-17	31-Mar-16
Effect of change in cash or cash equivalent held in foreign currency due to exchange rate fluctuation	857,937	261,440
Cash and cash equivalents at the beginning of the year	128,249,663	258,045,458
Cash and cash equivalents at the end of the year	571,024,877	128,249,663
Components of cash and cash equivalents as at the end of the year		
Cash and cheques on hand	1,177,524	181,524
Investment in Liquid securities	158,881,806	-
Effect of change in cash or cash equivalent held in foreign currency due to exchange rate fluctuation		
Cheques on Hand	102,085	22,575,000
With bank		
- In current account	406,651,214	102,270,286
- In Unpaid Dividend account*	4,212,248	3,222,851
TOTAL	571,024,877	128,249,663

- 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 Accounting Standard - 3 on Cash Flow Statement.
3 *Cash and Bank Balance as per Note 16 includes Rs. 42,12,248/- (previous year Rs. 32,22,851/-) which are not available for use by the company as they represent corresponding unpaid dividend liabilities.

As per our report of even date

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

Ankit Gokani, Partner
Membership No.: 133391
Shapar (Dist. Rajkot)
May 13, 2017

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Company Secretary

SIGNIFICANT ACCOUNTING POLICIES

1 Nature of Operations

ATUL AUTO LTD. (the company) is a public company domiciled in India, incorporated on 18-06-1986. Its shares are listed on two stock exchanges in India - Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). The Company manufactures and sales Auto Rickshaws in domestic and overseas market. ATUL AUTO LTD. together with its subsidiaries and controlled trusts is hereinafter referred to as 'the group'. The Group's consolidated financial statements are approved for issue by the Company's Board of Directors on 13th May, 2017.

2 Basis of Preparation

The consolidated financial statements have been prepared to comply in all material respects with the standards specified under Section 133 of the Companies Act, 2013 ("Act"), read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act. The consolidated financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and except for the changes in accounting policy discussed below, are consistent with those used in the previous year.

3 Basis of consolidation

ATUL AUTO LTD. consolidates entities which it owns or controls. Associates are entities over which the Group has significant influence but not control. The investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date. Investment in Associate Companies has been accounted under the equity method as per Accounting Standard (AS) 23 - "Accounting for Investments in Associates in Consolidated Financial Statements". The Company accounts for its share of post acquisition changes in net assets of associates, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Profit and Loss Statement, to the extent such change is attributable to the associates' Profit and Loss Statement and through its reserves for the balance based on available information. The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be.

Note No. 2.1 - Summary of Significant Accounting Policies

(a) Use of estimates

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

(b) Inventories

Inventories are valued as follows:

Raw materials, components, stores and spares are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, components and stores and spares is determined on a moving average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost of finished goods includes

excise duty. Cost is determined on a weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(c) Events occurring after balance date

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

(d) Depreciation

Depreciation is provided using the Straight Line Method according to useful life of assets as provided in schedule II of the Companies Act, 2013. Depreciation for assets purchased/sold during period is proportionately charged.

Useful lives of assets estimated by management (years)

Factory Buildings 30

Other Buildings 60

Plant and equipments 15

Furniture and fixtures 10

Office Equipment 5

Vehicles 8

Computer end user devise 3

Computer server 6

Windmill 22

(e) Intangible assets

Product Development Cost

Product Development Cost incurred on new vehicles platforms, variants on existing platforms and new vehicles aggregates are recognized as intangible assets and are included under fixed assets. These amounts are amortized over sixty months from the commencement of commercial production i.e. from 1st June, 2009.

SAP Implementation Charges

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

Research and development costs

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

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

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

(f) Revenue Recognition

Revenue is recognized to the extent that it is probable that the

economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

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

Interest

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

Dividends

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

Generation of Electricity

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

Others

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

(g) Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation and impairment losses. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use, net of CENVAT recoverable.

(h) Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

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

(iii) Exchange Differences

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

(i) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. If an investment is acquired, or partly acquired, by the issue of shares or other securities, the acquisition cost is the fair value of the securities issued. If an investment is acquired in exchange for another asset, the acquisition is determined by reference to the fair value of the asset given up or by reference to the fair value of the investment acquired, whichever is more clearly evident. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments. On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss. In case of subsidiary becomes associate, carrying value on the date of conversion is taken as cost of associate. In case of

dilution in share of associate, gain /loss is recognised in statement of Consolidated Profit & Loss A/c.As per AS 23 under the equity method, an investor's share of losses of an associate equals or exceeds the carrying amount of the investment, the investor ordinarily discontinues recognising its share of further losses and the investment is reported at nil value.

(i) Employee Benefits

Gratuity

The Gratuity Liability is defined benefit obligation. The company has created Employees Group Gratuity Fund which has taken a Group Gratuity Insurance Policy from Life Insurance Corporation of India (LIC). Premium on above policy as intimated by LIC is charged to the Profit & Loss Account. The adequacy of balances available is compared with actuarial valuation obtained at the period end. Shortfall, if any, is provided for in the statement of Profit & Loss.

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.

Leave Salary

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

(k) Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur."

(l) Segment Reporting

The company is engaged mainly in the business of automobile products. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standard) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical segment.

(m) Leases

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

(n) Earning Per Share

Basic earning per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed

SIGNIFICANT ACCOUNTING POLICIES Contd.

the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earning per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares"

(o) Income Taxes

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

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

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

In the situations where the company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and

deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

(p) Impairment of tangible and intangible assets

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

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

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

(q) Government grants and subsidies

Grants and subsidies from the government are recognized when

there is reasonable assurance that (i) the company will comply with the conditions attached to them, and (ii) the grant/subsidy will be received.

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

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

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

(r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provision are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where the company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

Product Warranty Provisions

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost

of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The estimate of such warranty-related costs is revised annually.

After Sales Service Provisions

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

(s) Contingent liabilities

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

(t) Cash and cash equivalents

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

NOTES

No.	Particulars	2016-17		2015-16	
3	SHARE CAPITAL				
a	Authorised Shares				
	Equity Shares of Rs. 5 each				
		No of Share	30,000,000	30,000,000	
		Amount	150,000,000	150,000,000	
	Issued & Subscribed Shares				
	Equity Shares of Rs. 5 each				
		No of Share	23,224,600	23,224,600	
		Amount	116,123,000	116,123,000	
	Paid up Shares				
	Equity Shares of Rs. 5 each				
		No of Share	21,943,200	21,943,200	
		Amount	109,716,000	109,716,000	
	Share Forfeiture		2,328,850	2,328,850	
	TOTAL SHARE CAPITAL		112,044,850	112,044,850	
b	Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares				
		2016-17		2015-16	
		No.	Amount Rs.	No.	Amount Rs.
	At the beginning of the period	21,943,200	109,716,000	21,943,200	109,716,000
	Outstanding at the end of the period	21,943,200	109,716,000	21,943,200	109,716,000

c Terms/Rights attached to Equity Shares

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

The company declares and pays dividend in Indian Rupees. Interim Dividend declared by the Board of Directors and paid by the company during the year is Rs.2.75/- per equity share of Rs. 5 each. Final dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing General Meeting of Rs 1.5/- Per Share. During the year ended 31 March, 2017 the amount of per share dividend recognized as distributed to equity shareholders was Rs 4.25/- per equity share of Rs.5/- each. (31 March 2016 : Rs.5.25 per equity share of Rs.5 each).

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

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

	2016-17		2015-16	
	No.	% of total holding	No.	% of total holding
	Equity Share of Rs.5 each		Equity Share of Rs.5 each	
Maheshbhai J Chandra	1,969,242	8.97%	1,290,666	5.88%
Jayantibhai J Chandra	1,351,742	6.16%	1,351,742	6.16%
Dharmendrabhai J Chandra	1,267,326	5.78%	1,267,326	5.78%
Harishbhai J Chandra	1,164,786	5.31%	1,164,786	5.31%
Birla Sunlife Trustee Company Private Limited	1,016,261	4.63%	1,114,159	5.08%

Increase in number of share held by Mr. Maheshbhai J Chandra is on account of shares received by inheritance from his mother Late Shrimati Kashiben Jagjivandas Chandra.

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

Year of Allotment	2012-13
No of Shares Allotted	3,657,200
Class of Shares	Equity Shares (Face value Rs. 10/-)

4	RESERVES & SURPLUS	2016-17	2015-16
a	Capital Reserve	3,000,000	3,000,000
b	Securities Premium Account	47,791,850	47,791,850
c	General Reserve		
	Opening Balance	162,233,421	124,705,949
	Add: Transfer from Surplus	37,320,367	47,400,272
	Less : Investor share in accumulated profit/(loss) in associate		-9,872,800
	Less : Unrecognised loss of earlier years, now recognised	-4,284,518	
	Closing Balance	195,269,270	162,233,421
d	Surplus/(Deficit) in the statement of Profit & Loss		
	Opening Balance	1,211,066,793	923,125,758
	Add: Profit during the year	378,478,110	474,002,718
	Less: Interim Dividend	-60,350,819	-60,349,634
	Less: Tax on Interim Dividend	-12,286,007	-12,285,979
	Less: Proposed Dividend	-32,914,800	-54,858,000
	Less: Tax on Proposed Dividend	-6,700,679	-11,167,798
	Less: Transfer to General Reserve	-37,320,367	-47,400,272
	Net Surplus in the Statement of Profit & Loss	1,439,972,231	1,211,066,793
	TOTAL RESERVES & SURPLUS	1,686,033,352	1,424,092,068

5	NON-CURRENT INVESTMENTS	2016-17	2015-16
	Trade Investments (Valued at cost unless stated otherwise)		
	Investment in Equity Instrument (Quoted)	3,441	3,441
	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/-))		
	Extent of Holding	less than 1%	less than 1%
	Non- Trade Investments (Valued at cost unless stated otherwise)		
	Investment in Associates (Unquoted)	69,229,924	-
	91,20,000 (previous year 22,96,000) equity shares of Rs. 10 each in Khushbu Auto Finance Limited (At cost less provision for other than temporary diminution made on 31/03/2015 - Rs.23,87,840/-, 31/03/2012 - Rs.1,06,99,360/- total Rs.1,30,87,200/-)		
	Extent of Holding	30.00%	49.91%
	Aggregate amount of quoted investment	3,441	3,441
	Aggregate amount of unquoted investment	69,229,924	-
	TOTAL NON CURRENT INVESTMENTS	69,233,365	3,441

	2016-17	2015-16
Name of the Associates	Khushbu Auto Finance Limited	
Ownership Interest	30.00%	49.91%
Original Cost of Investment	75,418,319	75,418,319
Profit on account of partial dilution	7,690,580	
Further investment made during the year	68,240,000	
Goodwill/(Capital Reserve)	-9,054,234	-9,054,234
Accumulated share of profit/(loss)	-82,118,975	-79,702,837
"Carrying amount of Investments"	69,229,924	-

Note :

As per AS 23 under the equity method, an investor's share of losses of an associate equals or exceeds the carrying amount of the investment, the investor ordinarily discontinues recognising its share of further losses and the investment is reported at nil value.

6 OTHER NOTES

- (i) In view of General Circular No. 39/2014 dated 14th October, 2014 of Companies Act, 2013, which states Schedule III to the Act read with the applicable Accounting Standards does not envisage that a company while preparing its CFS merely repeats the disclosures made by it under stand-alone accounts being consolidated. Thus, in the CFS, the company has given all disclosures relevant for CFS only.
- (ii) Previous year figures are regrouped, re arranged & re casted wherever necessary.

7 ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

Sr. No.	Name of the Entity	Net Assets		Share in Profit or Loss	
		As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or loss	Amount
INDIAN ASSOCIATE					
1	Khushbu Auto Finance Limited	3.85%	69,229,924	1.39%	5,274,442
8	List of Associates	Country of Incorporation		Extent of holding	
1	Khushbu Auto Finance Limited	India		30.00%	49.91%



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

29th Annual General Meeting – Friday, 29th September, 2017

Name of Member(s):

Registered Address:

Folio No/DP Id Client Id:

No of shares:

I hereby record my presence at the 29th Annual General Meeting of the Company on Friday, 29th September, 2017 at 11:00 a.m. at the Registered Office of the Company at Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), District Rajkot, Gujarat, INDIA 360024

.....
Signature of Member/Proxy

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

PROXY FORM

Form No. MGT-11



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

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

Name of Member(s):

Registered Address:

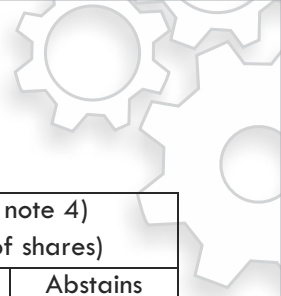
Folio No/DP Id Client Id:

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 29th Annual General Meeting of the Company to be held on Friday, 29th September, 2017 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 the financial statements of the Company for the year ended on 31st March, 2017 and the reports of the Board of Directors thereon and Auditors thereto.			
2	Declaration of Final Dividend at Rs. 1.50 per equity share for the financial year ended 31st March, 2017			
3	Reappointment of Mr. Vijay Kedia, who retires by rotation			
4	Appointment of M/s. Kamlesh Rathod & Associates, Chartered Accountants as statutory auditors of the Company			

Signed this _____ day of _____ 2017



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.

NOTES



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NOTES



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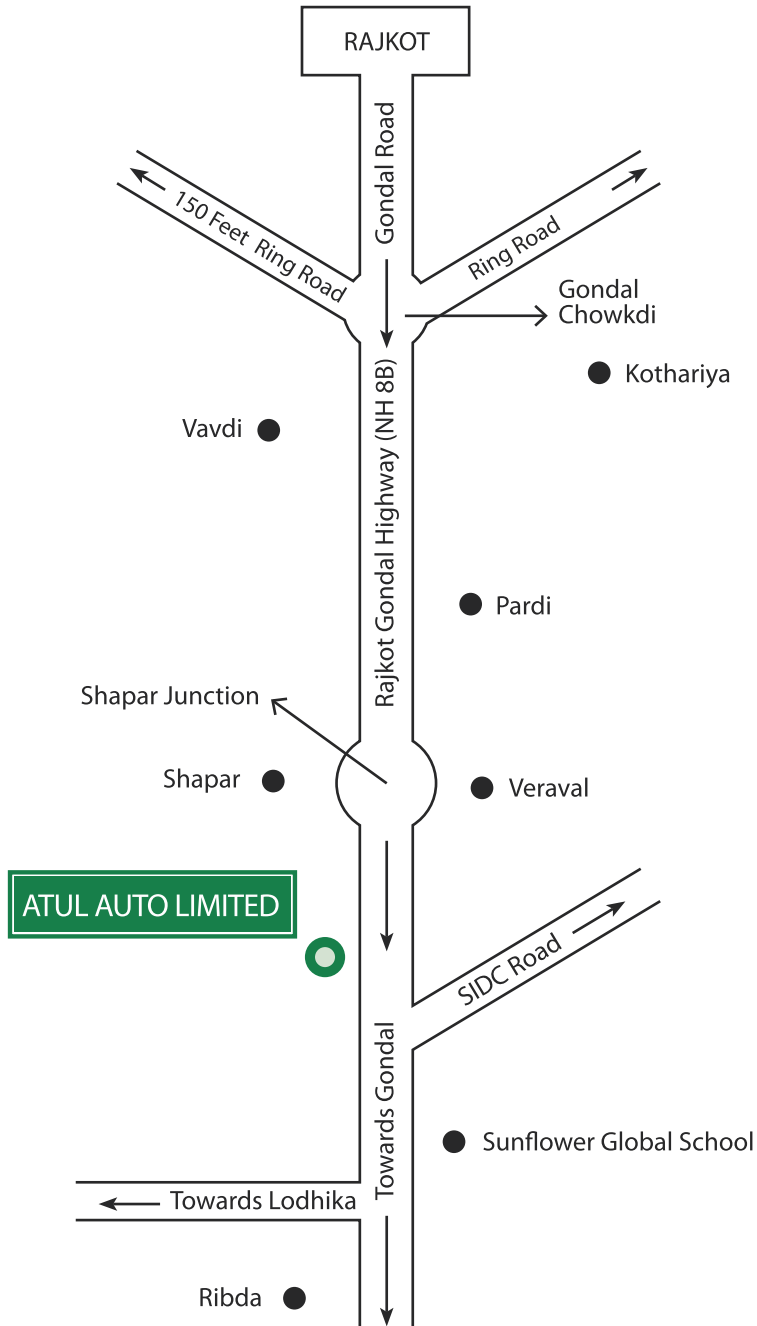
NOTES



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ROUTE MAP



ATUL AUTO LIMITED
Survey No. 86, Plot No. 1-4
8B National Highway,
Nr. Microwave Tower,
Shapar (Veraval), Dist. Rajkot
Gujarat, India 360024



ATUL

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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