

16th ANNUAL REPORT

2003-2004



ATUL
AUTO LTD.



ATUL AUTO LTD.

Board of Directors :	Shri J.J. Chandra	Chairman & Managing Director
	Shri M. J. Patel	Joint Managing Director
	Shri B. J. Chandra	Whole Time Director
	Shri R. S. Kukreja	Director
	Shri R. H. Dhruva	Director
	Shri S. T. Kaneria	Director

Auditors : **M/s. Maharishi & Co.**
Chartered Accountants
JAMNAGAR.

Bankers : **State Bank of India**
HDFC Bank
The Laxmi Vilas Bank Ltd.
Citizens Co-Op. Bank Ltd.

Registered Office : **Survey No. 86,**
Plot No. 1 to 4, N. H. 8-B,
Tal. : Kotda Sangani.
Shapar (Veraval)
Rajkot - 360 004.

Corporate Office : **"Jimmy Tower,"**
Opp. Swaminarayan Gurukul,
Gondal Road,
Rajkot - 360 002.

SR. NO.	CONTENTS	PAGE NO.
1.	Notice	02
2.	Directors' Report	07
3.	Management Discussion & Analysis	14
4.	Directors' Report on Corporate Governance	16
5.	Auditors' Certificate on Corporate Governance	23
6.	Auditors' Report	24
7.	Balance Sheet	30
8.	Profit & Loss Account	31
9.	Schedules to Balance Sheet and Profit & Loss Accounts	32
10.	Auditor's Report on Cash flow	45.
11.	Cash Flow Statement	46
12.	Balance sheet abstract	47
13.	Statement under section 212 of the Companies Act	48
14.	Auditors' Report on Consolidated Balance Sheet and Profit & Loss Account	49
15.	Consolidated Balance Sheet	50
16.	Consolidated Profit & Loss Account	51
17.	Schedules to consolidated Balance Sheet and Profit & Loss Account	52
18.	Auditor's Report on Consolidated Cash flow	62
19.	Consolidated Cash Flow Statement	63

NOTICE

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of the Company will be held on Thursday, 30th September, 2004 at 4.00 p.m. at the Registered Office of the Company situated at Survey No. 86, Plot No. 1 to 4, National Highway 8-B, Shapar (Veraval) Rajkot - 360 002, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt Audited Balance Sheet as on 31st March 2004 and Profit & Loss Account for the year ended on that day along with the Directors' and Auditors' Report thereon.
2. To declare dividend @ 10%
3. To reappoint, the retiring M/s. Maharishi & Co., Chartered Accountants, as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.
4. To appoint Director in place of Shri Mahendra J. Patel, who is liable to retire by rotation and being eligible, offers himself for reappointment.
5. To appoint Director in place of Shri Rajesh H. Dhruv, who is liable to retire by rotation and being eligible, offers himself for reappointment.

Special Business:

6. To pass, with or without any modification, the following Resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with provisions of section 257 and other applicable provisions, if any, of the Companies Act, 1956, Shri Suresh T. Kaneria, who was appointed as an additional director by the Board and is eligible for appointment as director, and in respect of whom notice under section 257 of the Companies Act, 1956, has been received, be and is hereby appointed as Director of the Company and he shall be liable to retire by rotation as per provisions of the Companies Act, 1956 read with Articles of Association of the Company."

Date : 30/6/2004
Place : Rajkot

By order of the Board of Directors
For, ATUL AUTO LIMITED,

(J. J. CHANDRA)
Chairman & Managing Director

NOTES:-

- 1) ALL THE MEMBERS ENTITLED TO ATTEND AND VOTE AT MEETING ARE ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE AT THE MEETING ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY TO BE VALID MUST REACH AT THE REGISTERED OFFICE AT LEAST 48 HOURS BEFORE THE MEETING.
- 2) THE INSTRUMENT APPOINTING PROXY SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 3) THE SHARE TRANSFER BOOKS WILL REMAIN CLOSE FROM 16TH SEPTEMBER 2004 TO 29TH SEPTEMBER 2004 (BOTH DAYS INCLUSIVE).
- 4) AN EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) IS ATTACHED TO THIS NOTICE.
- 5) MEMBERS ARE REQUESTED TO ADDRESS ALL THEIR CORRESPONDENCE EITHER TO THE REGISTRAR & TRANSFER AGENT OR AT THE REGISTERED OFFICE OF THE COMPANY.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE ACT :

Item No. 6

Members are aware that Shri Suresh T. Kaneria was appointed as an additional director of the Company by the Board of Directors. The Company has received a notice along with Rs. 500/- as deposit in cash, proposing candidature of Shri Suresh T. Kaneria as Director of the Company liable to retire by rotation.

The Resolution is proposed as an ordinary Resolution.

None of the Directors of the Company is interested in this Resolution in any way.

Members are requested to appoint Shri Suresh T. Kaneria as director of the Company.

Date : 30/6/2004
Place : Rajkot.

By order of the Board of Directors
For, **ATUL AUTO LIMITED,**

(J. J. CHANDRA)
Chairman & Managing Director

INFORMATION REQUIRED TO BE FURNISHED UNDER THE LISTING AGREEMENT

As required by the Listing Agreement, the particulars of directors who are proposed to be reappointed are given below :

1. NAME : Mr. Mahendra J. Patel
2. AGE : 41 years
3. QUALIFICATION : Commerce Graduate
4. EXPERTISE : Production
5. OTHER DIRECTORSHIPS* : Nil

Shri Mahendra J. Patel has been holding Directorship of the Company since 30/11/1994

1. NAME : Shri Rajesh H. Dhruv
2. AGE : 49 years
3. QUALIFICATIONS : Commerce Graduate, Chartered Accountant
4. EXPERTISE : Finance and Foreign Exchange Regulations
5. OTHER DIRECTORSHIPS* : One (Integrated Proteins Limited)

Shri Rajesh H. Dhruv has been holding Directorship of the company since 19/12/1994.

As required by the Listing agreement, the particulars of Directors appointed during the financial year are given below :

1. NAME : Shri Suresh T. Kaneria**
2. AGE : 44 years
3. QUALIFICATIONS : Commerce Graduate
4. EXPERTISE : General Administration Skills
5. OTHER DIRECTORSHIPS* : Nil

***In Indian Listed Public Limited Companies**

****Shri Suresh T. Kaneria has been appointed as an additional Director of the Company w.e.f. 08/03/2004**

ATUL AUTO LIMITED

HIGHLIGHTS OF 2003-2004

* * *

Highest ever Production : 8760 Vehciles

* * *

Highest ever **Sales** : 8814 Vehicles

* * *

Highest ever **Turnover (in Rupees)** : 67,09,69,690

* * *

Profit before Taxation up by **90.17%** : Rs. 3,19,32,546

* * *

Net Profit after Taxation up by **81.21%** : Rs. 1,91,31,849

* * *

Membership of the **Society of Indian Automobile Manufactures (SIAM)**

* * *

Corporate Identity ("Atul") to the Déalers of the Company

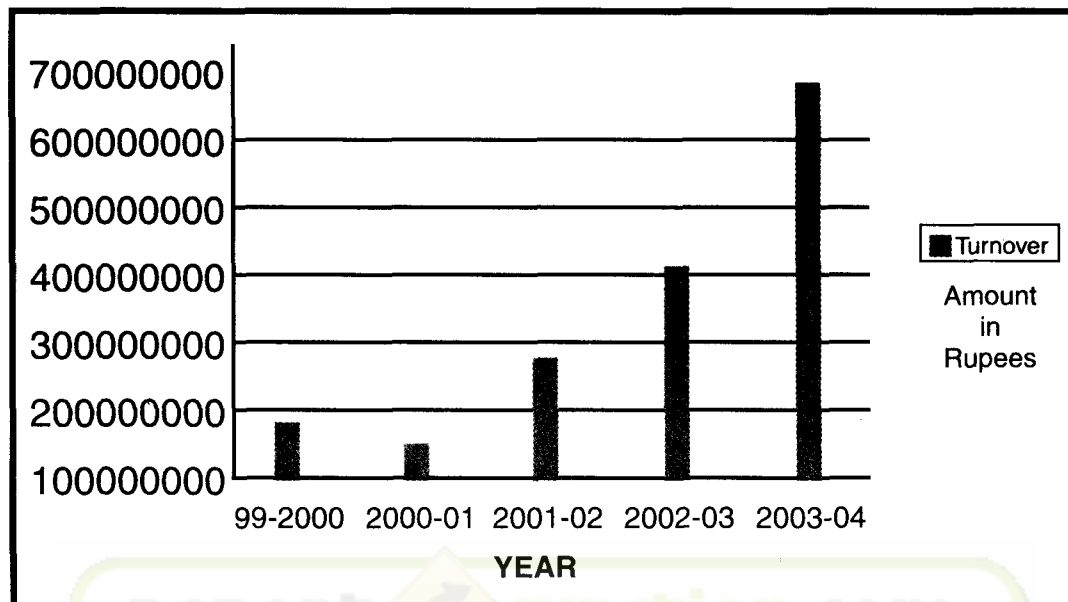
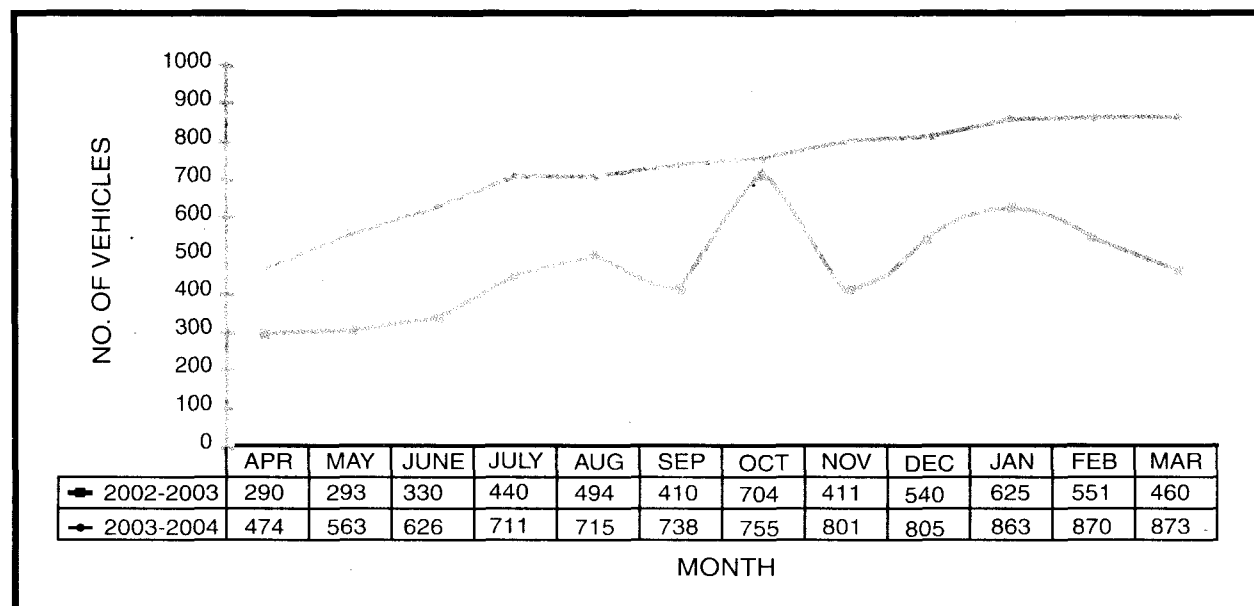
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Commencement of Marketing operations in **New States:-**

Madhyapradesh and Chhatisgarh

* * *

Extensive Service Camps and Training Camps to boost the after-sales services and provide through Trainings to Engineers.

PERFORMANCE OF THE COMPANY IN 'ATUL' BRAND THREE WHEELERS**Turnover (Last five years)****GROWTH TREND - ATUL BRAND VEHICLES**

ATUL AUTO LIMITED

DIRECTORS' REPORT

Your Directors are pleased to present their Sixteenthth Annual Report for the year ended on 31st March, 2004.

FINANCIAL RESULTS :

Your Company's performance for the year ended on 31st March 2004 is summarized as under :

Particulars	For the year ended on 31 st March 2004	For the year ended on 31 st March 2003
Turnover	67,09,69,690.00	416,848,574
Profit before taxes	3,19,32,546.00	16,791,320
Tax on profits	1,15,00,000.00	5,945,302
Deferred Tax for the Current Year	7,11,760.00	288,010
Net profit	1,91,31,849.00	10,558,008
Proposed Dividend	53,51,520.00	0.00
Dividend Tax	6,68,940.00	0.00
Taxation adjustments of previous years	5,88,937.00	0.00
Profit and loss account balance carried forward	1,31,11,389.00	1,05,58,008.00

The results of the Company show that increase in the turnover (in terms of Rupees) of the Company by 60.96% as compared to the previous year, which is the indicator of the progress achieved by the Company. The Company has shown excellent performance in the sales of number of vehicles as the same has been increased by 60.69% to 8814 as compared to previous year's sales of 5485 vehicles; which shows a major turn around. The Company has made all round superior performance and achieved Net Profit (after depreciation and tax) of Rs. 1,91,31,849 which is higher by 81.21% as compared to the net profit of Rs. 1,05,58,008 of previous year 2002-2003.

QUARTER WISE PERFORMANCE :

The quarter wise production and sales of vehicles during the year under review is as under:-

FINANCIAL YEAR 2003-04	PRODUCTION	SALES
April to June, 2003	1628	1676
July to September, 2003	2162	2165
October to December, 2003	2369	2369
January, 2004 to March, 2004	2601	2604
Total	8760	8814

The table is evident of the fact that there is a sustained and continuous growth in the production & sales of vehicles on quarter to quarter comparison. The said trend continued in the current financial year 2004-05 also as shown in the below mentioned table:

FINANCIAL YEAR 2004-05	PRODUCTION	SALES
April to June, 2004	2657	2657

EXCELLENT PERFORMANCE OF 'ATUL' VEHICLES:

The "Atul" Brand of Passenger and loading three wheeler has emerged as the most premium brand. The graph shown as above supports the fact that the total sales of "Atul" brand vehicles has been increased by 60.69% [8814 vehicles in 2003-04 as compared to 5485 vehicles in 2002-03] as compared to the previous year 2002-03.

DIVIDEND :

The Board of Directors are pleased to recommend a dividend of 10% on the paid up share capital, which is subject to approval of members in the ensuing Annual General Meeting. The total dividend payment amounts to Rs. 60,20,460.00 (including Dividend Tax of Rs. 6,68,940.00). If approved as stated, the Final Dividend will be paid to the shareholders whose names appear:- (a) as Beneficial Owner's as at the close of 15th September, 2004, as per the list to be furnished by the Depositories in respect of Shares held in the Electronic Form, and (b) as Members in the Register of Members of the Company as on 16th September, 2004, after giving effect to all valid share transfers in physical form which are lodged with the Company on or before 15th September, 2004.

NEW MARKETING OFFICES :

During the year review, your Company has opened new marketing offices at Jaipur, Secunderabad, Pune and Bhopal. The Company has shown its presence in the states of Madhya Pradesh and Chhatisgarh. Further, your Company is planning to strengthen its business in the states of Maharashtra and Andhrapradesh, where the Company is already performing well.

ACQUISITION OF BUILDING AND PLANT & MACHINERIES:-

As the activities of the Company are growing day by day, the Company needed more space for the operational purpose. Period commencing from 1st April, 2003 to the date of this Report, your Company has expanded its factory building by incurring capital expenditure of Rs. 30 Lacs. Moreover, the Company has purchased new Plant & Machineries worth Rs. 82 Lacs.

MEMBERSHIP OF SIAM:

During the year, your Company has become member of the Society of Indian Automobile Manufacturers (SIAM), New Delhi, an Organization of which almost Automobile giants of our country are members. The membership of the SIAM will help the Company to exchange the manufacturing, marketing and technical know-how concepts at national level. The said membership is also evidence of the fact that the Automobile Industry has taken due note of presence of your Company in the industry.