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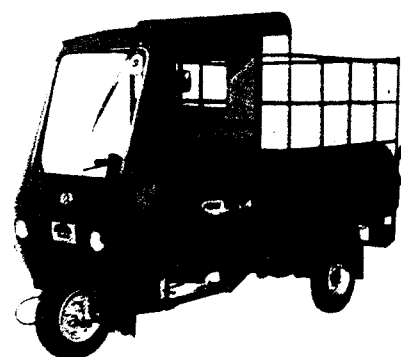
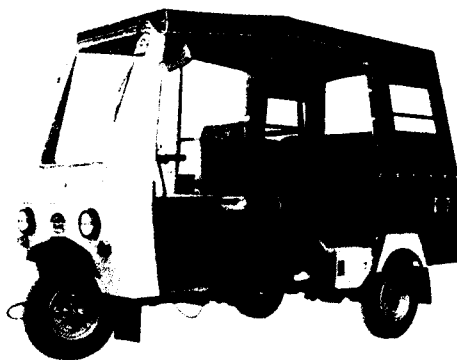
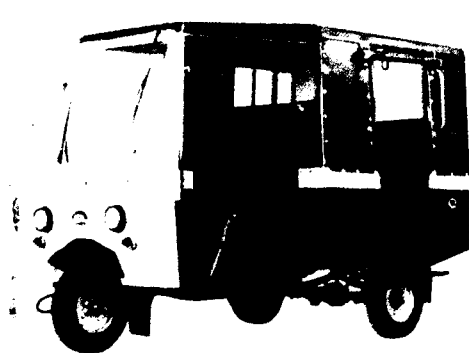
## ANNUAL REPORT 2001-2002

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# ATUL AUTO LTD.





# ATUL AUTO LTD.

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## **BOARD OF DIRECTORS**

Mr. Chandra J. J.	Chairman and Managing Director
Mr. Jogalekar Shriharsh S.	Vice Chairman
Mr. Chandra Bharat J.	Whole Time Director
Mr. Patel Mahendra J.	Executive Director
Mr. Dhruva Rajesh H.	Director
Mr. Kukreja Rajendra S.	Director

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## **AUDITORS**

M/s. PUROHIT & Co. Chartered Accountants,

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## **BANKERS**

State Bank of India  
Citizens Co-operative Bank Ltd.  
Laxmi Vilas Bank Ltd.  
State Bank of Saurashtra

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## **REGISTERED OFFICE :**

Survey No. 86, Plot Nos. 1 to 4,  
N. H. 8-B, Shapar (Veraval).  
Tal : Kotdasangani.  
Rajkot - 360 002.

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## **CORPORATE OFFICE :**

Jimmy Tower, Gondal Road,  
Opp. Swaminarayan Gurukul,  
Gondal Road,  
Rajkot - 360 002.

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## NOTICE

**NOTICE** is hereby given that **Fourteenth Annual General Meeting** of the Members of the Company will be held on Saturday, 28<sup>th</sup> September, 2002 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 following business :

### ORDINARY BUSINESS :

- (1) To receive, consider and adopt Audited Balance Sheet as at 31<sup>st</sup> March, 2002 and the Profit and Loss Account for the year ended on that day alongwith the Directors' and Auditors Report thereon.
- (2) To reappoint, the retiring auditors M/s. Purohit & 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.
- (3) To appoint a Director in place of Shri J. J. Chandra, Director, who is to retire by rotation and being eligible, offers himself for reappointment.
- (4) To appoint Director in place of Shri Rajendra Kukreja Director, who is to retire by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS :

- (5) To pass, with or without modifications, the following Resolution as an ordinary resolution.

**"RESOLVED THAT** in accordance with the provisions of sections 198, 269, 309, 310, 311 and other applicable section, if any, of the companies Act, 1956, read with Schedule XIII thereto; approval of the Members of the company, be and is hereby accorded to the appointment of **SHRI BHARAT J. CHANDRA**, as the **WHOLETIME DIRECTOR** of the company for the period of Five Years from **9<sup>TH</sup> DAY OF JANUARY, 2002**, to **8<sup>TH</sup> DAY OF JANUARY, 2007** at remuneration as specified hereunder :

**SALARY :** Rs. 50,000/- (Rupees Fifty Thousand Only) per month of Rs. 6,00,000/- (Rupees Six Lacs only) per annum.

**"RESOLVED FURTHER THAT** where in any Financial year during the currency of the tenure of Shri Bharat J. Chandra, the Wholetime Director, the Company has no profits or its profits are inadequate, the company will pay the salary as mentioned above as minimum remuneration to Shri Bharat J. Chandra, subject to the provisions of schedule XIII to the companies Act, 1956, as amended from time to time.

**"RESOLVED FURTHER THAT** Shri Jayantilal J. Chandra, Chairman and Managing Director, be and is hereby authorized to certify this resolution and the necessary forms, if any, to be filed with the office of the registrar of companies, Gujarat, and to do all such, acts, deeds and things as it may in his absolute discretion deem fit and proper to give effect to this resolution.

Date : 30-06-2002.

Place : Rajkot.

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

**M. J. Patel**  
Executive 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) An explanatory Statement pursuant to section 173(2) of the companies Act, 1956 is annexed thereto.
- 3) 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.
- 4) The Share Transfer Books will remain closed from 16th September 2002 to 23rd September 2002 (both days inclusive)
- 5) Members are requested to adress all their correspondence including change of address at the Registered office of the Company.

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

Members are aware that Shri Bharat J. Chandra was appointed as an additional director during the year 2000-2001, and was appointed as Regular Director by Members in the last Annual General Meeting. Mr. Bharat Chandra has been providing valuable services to the company including performance of many of the managerial duties in consultation with Shri J. J. Chandra, Chairman & Managing Director of the Company. Therefore, the Board of Directors of your company appointed Shri Bharat J. Chandra, subject to approval by members, as the whole time Director of the company w.e.f. 9th January, 2002, for the peroid of Five Years. The terms & conditions related to payment of remuneration to Shri Bharat Chandra have already been set out in the Resolution in the Notice.

Members are requested to pass the above resolution as an ordinary resolution.

Shri Bharaj J. Chandra is interested in this resolution is proposed to be passed for his appointment, Shri J. J. Chandra, Chairman & Managing Director is interested in a way that this resolution is for appointment of his brother Shri Bharat J. Chandra.

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

Date : 30-06-2002.

Place : Rajkot.

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

**M. J. Patel**  
Executive Director

# ATUL AUTO LIMITED

## REPORT OF THE DIRECTORS

Your directors are pleased to submit this Fourteenth report of the company along with the audited accounts of the company and report of auditors' thereon.

### 1. PERFORMANCE OF THE COMPANY :

#### A. Finance

Your company's performance for the year ended on 31st March 2002 is summarized as under :-

<u>PARTICULARS</u>	<u>For the Year Ended on</u>	
	<u>31/03/2002</u> (Rs.)	<u>31/03/2001</u> (Rs.)
Gross Turnover	319581410	162914988
Less : Excise duty	42747675	21985328
Net Turnover	276833735	140929660
Profit before taxes	14356602	8603419
Income Tax on profits	3140000	2695000
Deferred Tax for the Current Year	761072	0
Net profit	10455530	5908419
Taxation adjustments of previous years	556182	(184255)
Profit and loss account balance carried forward	11011712	5742164
Number of vehicles sold	3313	1684
Number of vehicles produced	3343	1691

The performance of the company for the year compared to previous is as under :

Increase in turnover	196 %
Increase in Profit before taxes	167 %
Increase in Profit after taxes	192 %
Increase in production of vehicles	198 %
Increase in vehicles sold	197 %
Increase in Payments to government on excise	194 %
Increase in payment of Income tax	117 %
Increase in export earnings	292 %



Your directors do not recommend any dividend during the year because company has made substantial investment in its newly acquired subsidiary company. Your directors foresee more investment in that company during the coming years. Because selling an automobile vehicle in finance loan is order of the day. These activities of the company in new direction will generate substantial revenue to the company in form of dividend and interest.

## **B. Marketing**

During the year company has made efforts to establish products of the company in export market. The company exported 26 vehicles during the year and vehicles were received well. Quality of vehicles was also appreciated by the buyers. In coming years company has identified export of its vehicles in the thrust area. It is also receiving inquiries from various other countries.

In domestic market company has made its presence felt in Rajasthan, Andhra Pradesh and Maharashtra over and above its dominant position in Gujarat. In Gujarat Company is making its position stronger day by day. By this time company has strong marketing network of around 50 dealers who cater to service and marketing needs of buyers.

In the year under review sales and margin were under severe pressure. During the year company sold 3313 vehicles compared to 1684 vehicles in immediately preceding previous year. The sales price of the vehicles of the company were also reduced substantially resulting in lower gross profit.

In the current year sales of the company is Rs. 45513352/- up to 31st May 2002 compared to sales of Rs. 35442083/- in immediately preceding year for the corresponding period. During the year your directors expect substantial growth in the sales. Directors expect to achieve higher turnover during the year. In the current year due to riots the volume of the sales could not pick up as desired.

## **C. Acquisition of office at Rajkot**

Boards of directors are pleased to inform the members that corporate office at Rajkot has been acquired by the company during the year. Until now, company was operating its corporate office from rental premises.

## **2. RESPONSIBILITY STATEMENT :**

The directors confirm :

- a) That in the preparation of annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same,
- b) That they have selected such accounting policies and applied them consistently and made judgements 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 accounting year and of the profit and loss account for that year;
- c) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for

safeguarding the assets of the company and for preventing and detecting frauds and other irregularities.

- d) That they have prepared the annual accounts on a going concern basis.

### 3. PERSONNEL :

During the year, minor labour dispute took place and same was solved amicably. During the year relationship of employees and management remained cordial and harmonious.

### 4. TRADE RELATIONS

The board desires to place on record its appreciation for the support and co-operation received from suppliers / vendors and authorized dealers and all other associated with our company. Company regards them as partners in its progress and shares with them the fruits of growth. The management constantly endeavors to build strong and mutually respectable trade relations with them.

### 5. CORPORATE GOVERNANCE

Through the provisions of clause 49 of the listing agreement will be made applicable to the company in financial year 2002-2003 your company has been practicing the principles of good corporate governance since its inception. It puts strong emphasis on accountability and integrity.

Management of company wishes to achieve highest standards of corporate Governance. To enable better and more focused attention company is in the precess of setting up various committeess of its board of directors. First such step was taken and an audit committee was set up.

The board of directors of the company met during the last financial year till to date as under for considering various issues.

Sr. No.	Date of meeting	Particulars of major discussion
1	24-4-2001	For appointment of compliance officer with stock exchanges. Divisional finance manager of the company was appointed as compliance officer with stock excahnges.
2	23-6-2001	Approval of audited financial results of the company for the year ended on 31 <sup>st</sup> March, 2001
3	27-7-2001	Approval of unaudited quarterly result of the company for the quarter ended on 30 <sup>th</sup> June 2001
4	26-10-2001	For authorizing the director to sign the revival letter i.e. Form C-6
5	28-11-2001	Approval of audited financial results of the company for the half year ended on 30 <sup>th</sup> September, 2001



6	9-1-2002	Appointment of Shri Bharatbhai J. Chandra as the whole time director of the company.
7	28-1-2002	a) Approval of unaudited financial results of the company for the third quarter ended on 31 <sup>st</sup> December, 2001 b) Opening of current deposit account of the company with Laxmi Vilas Bank Ltd. at Indore.
8	7-2-2002	a) Opening of current deposit Bank account with HDFC Bank at Rajkot. b) For completing formalities with state bank of India for availing various bank finance limits. c) For making an application for allotment of 220500 equity share of Khushbu Auto Finace Private Limited, Jamnagar and thereby converting it into a subsidiary company of our company.
9	22-3-2002	To consider acquisition of office premises of the company at Rajkot.
10	27-3-2002	a) For appointing authorized signatories to operate current deposit account of the company with HDFC Bank, Rajkot b) To consider and approve acquisition of office premises of the company to house its corporate office at Rajkot.
11	30-6-2002	For approval of audited financial results of the company for the year ended on 31 <sup>st</sup> March, 2002 and quarterly accounts for the quarter ended on 31 <sup>st</sup> March, 2002

**Brief particulars of Board of Directors and their attendance at the board meting**

<b>Name of Director</b>	<b>Category</b>	<b>No of Board of metting attended</b>	<b>Attendance at last AGM</b>	<b>No of outside directorship excluding Pvt. Ltd. Company</b>
Shri J. J. Chandra	Chairman & Managing Director	10	Yes	Nil
Shri M. J. Patel	Executive Director	11	Yes	Nil
Shri S. S. Jogalekar	Non-executive & independent director	11	Yes	Nil
Shri R. H. Dhruva	Non-executive & independent director	11	Yes	Nil
Shri B. J. Chandra	Whole time director	11	Yes	Nil
Shri R. S. Kukreja	Non-executive & independent director	NIL	No	Nil

### **Brief details of Meetings of Audit committee.**

Audit committee comprises of Shri J. J. Chandra, Managing Director, Shri R. S. Kukreja and Shri R. H. Dhruva. Both non-whole time directors of the company with Shri J. J. Chandra as its chairman.

Audit committee of the company met during the year on 20th June, 2001, 28th November, 2001 and 20th June, 2002. In these meetings except Shri R. S. Kukreja to whom leave of absence was granted, all the members of committee were present. The suggestion given by the committee were considered and adopted in respective meeting of the board of directors.

### **6. DIRECTORS**

Shri Jayantibhai J. Chandra and Shi Shriharsh S. Jogleker directors of the company retire by rotation and being eligible offer themselves for reappointment. You are requested to reappoint them.

### **7. AUDITORS**

M/s. Purohit & Co, Chartered Accountants, auditors of the company retires at the conclusion of the ensuing general meeting and being eligible offer themselves for reappointment. You are requested to appoint auditors and fix their remuneration.

### **8. SUBSIDIARY**

The company acquired additional 2,20,500 equity Shares in M/s. Khushbu Auto Finance Pvt. Ltd. (KAFPL) on 31st March, 2002 resulting the total holding in such company being the 51% of the equity share capital of the M/s. Khushbu Auto Finance Private Limited. Accordingly Khushbu Auto Finance Private Limited became a subsidiary of the company with effect from the said date.

The company has made this arrangement for the strategic reasons. KAFPL is a non banking financial company of the group and is wholly engaged in the business of providing finance to various persons purchasing the vehicle of our company. In the present scenario where it is necessary to have a financial arm to sell an automobile vehicle the company has decided to increase it's holding in this company and to bolster the economic viability of that company so that more and more vehicles manufactured by our company are sold in the market.