SANSCO SERVICES - Annual Reports Library Services - www.sansco.net



www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

ATUL AUTO LTD.

17th ANNUAL ACCOUNTS 2004-2005

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

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

Bankers : State Bank of India

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.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of the Company will be held on Thursday, 29th September, 2005 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 2005 and Profit & Loss Account for the year ended on that day along with the Directors' and Auditors Report thereon.
2. To appoint Auditors 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 Director in place of Shri J. J. Chandra, who is liable to retire by rotation and being eligible, offers himself for reappointment.
4. To appoint Director in place of Shri R. S. Kukreja, who is liable to retire by rotation and being eligible, offers himself for reappointment.

Special Business:

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

"**RESOLVED THAT** in accordance with provisions of Section 198, 269, 309, and other applicable provisions, if any, the Companies Act, 1956 ("the Act"), read with Schedule XIII to the Act and provisions contains in the Articles of Association of the Company, as well as provisions of the Listing Agreement entered into with the Stock Exchanges, **Shri J. J Chandra,** Chairman & Managing Director, be and is hereby reappointed as **Chairman & Managing Director** of the Company for the period of five years with effect from 1st April, 2005 on following terms and conditions:

(a) Salary: - Rs. 1,25,000/- (Rupees One lac twenty-five thousands only) per month.

(b) Commission/Other perquisites:- Shri Chandra shall not be paid any other commission or perquisites by the Company

(c) The terms and conditions of the said appointment may be revised, enhanced, altered and varied from time to time by the Board of Directors of the Company subject provisions of the Companies Act, 1956 including provisions as contained in Schedule XIII thereto

(d) If at any time, Shri J. J Chandra, ceases to be Director of the Company, he shall also cease to be Managing Director of the Company

(e) Notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri J. J Chandra, as Chairman and Managing Director of the Company, the Company has no profits or has inadequate profits, the Company will pay remuneration by way of salary, incentive remuneration, perquisites and allowances as specified above.

"**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all things, deeds, acts as may be necessary in this regard."

By order of the Board of Directors
Date: 25/05/2005
Place: Rajkot

For ATUL AUTO LIMITED,

(J. J. CHANDRA)
Chairman & Managing Director

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

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 share transfer books will remain closed from 16th September 2004 to 28th September 2005 (both days inclusive).

3. Members are requested to address all their correspondence either to the registrar & transfer agent of the company or at the registered of the company.

Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956

Members are aware that the Board has reappointed Shri J. J. Chandra, as the Chairman and Managing Director of the Company w.e.f. 1st April 2005. Shri J. J. Chandra is one of the founders of the Company and has contributed in progress of the Company in such a way that his devotion & dedication becomes a set example for all of us. His rich experience in the field of automobile industry helps the Company to achieve tremendous results and under his able leadership, the turnover of the Company has reached to 98 crores as on 31st March 2005. The Board has reappointed Shri Chandra as such at remuneration of Rs. 1,25,000/- per month. However, the remuneration payable to Shri Chandra is far lower than the established practices in three-wheeler automobile industry.

Members are requested to reappoint Shri J. J. Chandra as Chairman and Managing Director by passing the Resolution as an Ordinary Resolution.

Shri J. J. Chandra, being appointee himself, is interested in this Resolution.

Shri Bharat J. Chandra, Whole time Director, being brother of Shri J. J. Chandra, is also deemed interested in this Resolution.

No other Director is, in anyway, interested in this Resolution.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Details of Directors seeking reappointment at the Annual General Meeting

Director's Name	**Shri J J Chandra**
Date of Birth	October 20, 1955
Date of Appointment as Director in Company	October 18, 1986
Qualification	Under graduate
Experience in specific functional area	Eminent industrialist with wide business experience in Automobile industry for last 35 years
Directorship held in other public limited Indian Companies (excluding Directorship in Atul Auto Limited)	Nil
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/Chairmanship of Committees in Atul Auto Limited)	Nil

Report Junction.com

Director's Name	**Shri Rajendrakumar Shankardas Kukreja**
Date of Birth	February 26, 1955
Date of Appointment as Director in Company	December 19, 1994
Qualification	Graduate
Experience in specific functional area	Wide experience in manufacturing industry of automobiles
Directorship held in other public limited Indian Companies (excluding Directorship in Atul Auto Limited)	Khushbu Auto Finance Limited (A subsidiary of Atul Auto Limited)
Membership/Chairmanship of Committees public limited Indian Companies (excluding Membership/Chairmanship of Committees in Atul Auto Limited)	Nil

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

CHAIRMAN'S COMMUNIQUÉ

Dear Stakeholders,

I humbly place in your hands annual report of your company for the year 2004-05. A jump of 47 % in turnover, 39 % in gross profit, and 57 % in net profit are the modest results, which we could achieve. Still lot more requires to be done. I can understand that growth has to be constant and consistency is rare. We are trying to make an attempt at rarity.

Friends, this moment when I communicate to you, drastic changes are being placed at national and international level in the filed of commerce and industry, and more particularly, our core business, the automobile industry. The forthcoming years will only have vehicles, which comply with highest environment standards, and Bharat Stage II & III norms are one of those in that direction. The alternative of LPG and CNG are to be explored as soon as possible. In that direction, Your Company has successfully developed these vehicles, which comply with these norms and is approved at some of the levels and expecting certification at other levels.

Company has installed a Wind Turbine Generator of 1.25 MW capacity at Village Soda, Nr. Jaisalmer, Rajasthan for generation and distribution of power. Generation of wind power energy has already commissioned and 372009 units of electricity are sold.

I am confident that with your support and the cooperation, Atul will reach to new heights in forthcoming years.

Regards

J J Chandra

Chairman & Managing Director

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

ATUL AUTO LIMITED

REPORT OF BOARD OF DIRECTORS

Your Directors are pleased to present their Seventeenth Annual Report for the year ended on 31st March, 2005.

FINANCIAL RESULTS :

Your Directors are pleased to present their Seventeenth Annual Report for the year ended on 31st March 2005.

Particulars	For the year ended on 31st March 2005	For the year ended on 31st March 2004
Turnover/Net sales	98,91,29,942.00	67,09,69,690.00
Profit before taxes	4,43,85,565.00	3,19,32,546.00
Current Tax	(78,00,000.00)	1,15,00,000.00
Deferred Tax	(66,73,732.00)	7,11,760.00
Wealth Tax	(11,200.00)	-
Taxation adjustments of previous years	2,54,866.00	5,88,937.00
Net Profit	1,91,31,849.00	-
Proposed Dividend		
Dividend Tax	(30,437.00)	(6,68,940.00)
Profit and loss account balance carried forward	3,01,25,062.00	1,31,11,389.00

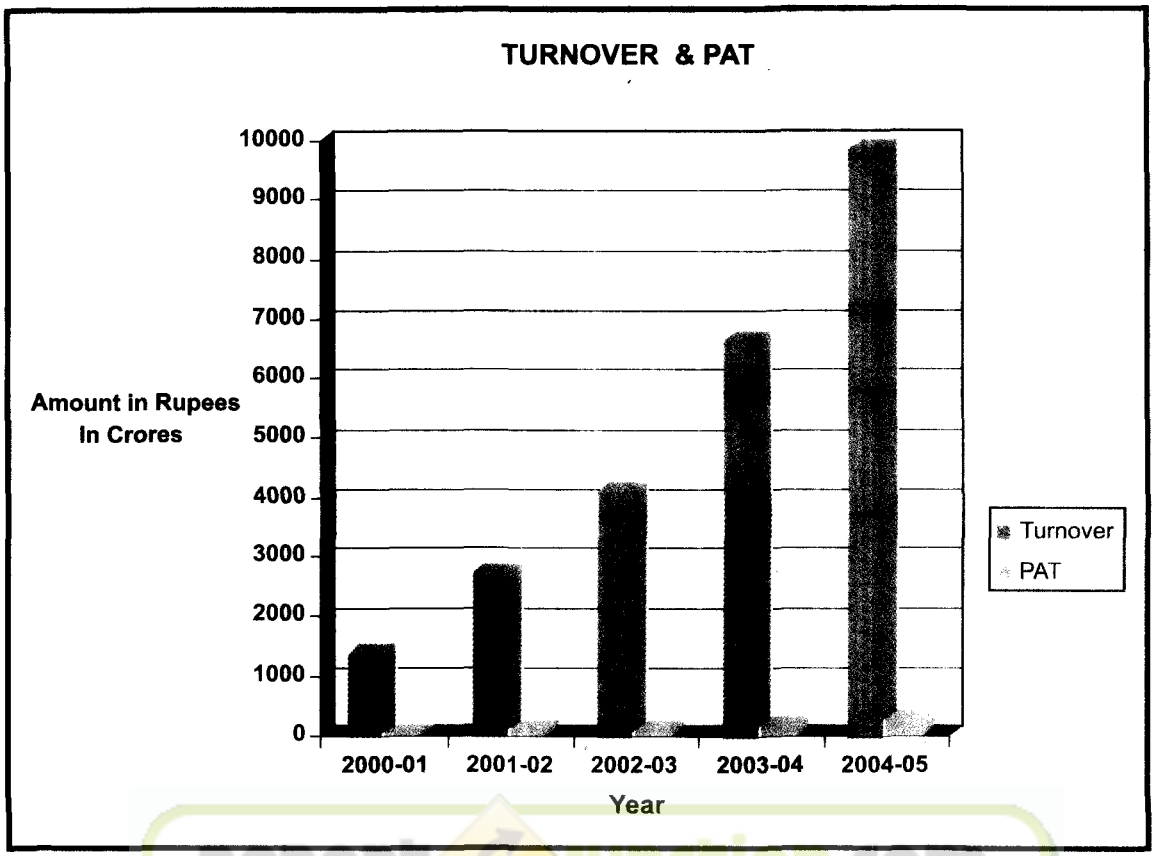
The total turnover of the Company (in terms of Rupees) reached at Rs. 98,91,29,942 during the year under Report, showing 47.41 % increase as compared to total turnover of Rs. 67,09,690/- of previous year 2003-04. Sales of vehicles have increased by 44.27% to 12,716 as compared to previous year's sales of 8,814 vehicles. Profit before tax increased by 39 % at Rs. 4,43,85,565/- as compared to Rs. 3,19,32,546/-. The net profit after tax increased to Rs. 3,01,55,499/- showing 57.62 % upward trend when compared with the profit before tax of previous year.

In the current year 2005-06, w e f 1/4/2005 central government has implemented except few states Euro II norms. Therefore, vehicles of the company are to be approved by ARAI under Euro II norms. Company got its vehicles approved by ARAI on 18th April 2005 and therefore the sales of vehicles were affected by this policy decision for the first quarter of this year.

Dividend

Your Company is under process of expansion and modernization of projects of the Company, which require huge capital outlay. Hence, Your Directors have decided to plough back profits and do not recommend any dividend for the period under review.

www.reportjunction.com



ReportJunction.com

Power Generation Project

Members are aware that the Company has altered its Other Objects Clause by addition of Item No. 95 after existing Item No. 94 of the Memorandum of Association of the Company, to diversity in the business of power generation through various means and ways.

In this connection, the Company has made capital outlay of Rs. 5.52 crores for installation of a Wind Turbine Generator (WTG) of 1.25 MW capacity at Village Soda, Dist. Jaisalmer, Rajasthan. Company has entered into Power Purchase Agreement (PPA) with the Rajasthan Vidhyut Parivahan Nigam Limited, in the State of Rajasthan for sale of electricity. During the period commencing from December 2004 and ending on 31st March 2005, the Company has generated and sold 372009 units of electricity fetching revenue of Rs. 12,57,390/- .The Company is expecting boost in production as well as generation of revenues from its new business in forthcoming years.

Board's Responsibility Statement

In pursuance of Section 217(2AA) of the Companies Act, 1956, 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 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 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.

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

Consolidated Financial Statements

In accordance with Accounting Standard – 21 "Consolidated Financial Statements", Annual Report of Company includes the consolidated accounts with Khushbu Auto Finance Limited, subsidiary of the Company. The consolidated accounts have been prepared on the basis of audited financial statements received from subsidiary, as approved by its Board.

Personnel

Your Company considers human resources as the primary drivers for the growth and development of the Company. Your Company has made the workplace-environment free from any physical, psychological, verbal harassment. The company has started canteen where all the workers of all the cadre are provided free food. Your Board sincerely thanks all the employees who have put in their hard work and helped the Company to achieve the growth in tremendous speed as compared to the previous years.

Particulars of Employees

The Company has no employee drawing remuneration exceeding limits as specified in the Companies (Particulars of Employees) Rules, 1975, as amended till date, and hence, particulars as mentioned in Section 217(2A) of the Companies Act, 1956, are not required to be given.

Trade Relations

The Board desires to place on record it's appreciation of the support and cooperation 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.

Directors

Tenure of Shri J. J Chandra, Chairman & Managing Director of the Company has been expired and he was reappointed as such by the Board of Directors of the Company in its Meeting held on 1ST April 2005. As per schedule XIII to the Companies Act, 1956, approval of Members required in case of appointment/reappointment of managerial personnel, if falling within that Table B or C of that Schedule. Therefore, an Ordinary Resolution is proposed to be passed for reappointment of Shri J J Chandra, as the Chairman and Managing Director of the Company..

Shri J. J Chandra and Shri R.S. Kukreja, Directors of the Company retire by rotation at the ensuring Annual General Meeting and being eligible offer themselves for reappointment. A brief Resume of Shri J J Chandra and Shri R. S Kukreja, is attached with Notice of the AGM.

There has been no change in the constitution of the board of Director of the Company.

Corporate Governance

Your Company has adopted good Corporate Governance Practices since its inception. The Company is being managed in highly professional manner coupled with transparency and adherence to the legal framework. The Company believes that the Corporate Governance is all about effective management of relationship among constituents of the system, i.e. shareholders, management, employees, customers, vendors, regulatory and the society. The Company has strong belief that this relationship can only be built and strengthen through corporate fairness, transparency, and account-ability. A detailed report on Corporate Governance is attached to this Report. The Securities and Exchange Board of India (SEBI) has made efforts to strengthen the Clause 49 of the Listing Agreement. The implementation of the revised Clause 49 is deferred till December 2005. However, the Company has already started efforts complying with the said revised Clause 49. Accordingly, a separate Report on Corporate Governance as well as the Certificate from M/s Maharishi & Co., Chartered Accountants, and the statutory Auditors of the Company are annexed to this Report of Board.

Auditors

M/s Maharishi & Co., Chartered Accountants, and statutory Auditors of the Company, retire at

www.reportjunction.com

SANSCO SERVICES - Annual Reports Library Services - www.sansco.net

this Annual General Meeting, and being eligible, offer themselves to be reappointed as such. The Company has received certificate from M/s Maharishi & Co., Chartered Accountants, declaring that their appointment will fall within limits prescribed under Section 224(1B) of the Companies Act, 1956.

Secretarial Audit

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by M/s Bhavin Mehta & Associates, Company Secretaries, Rajkot..

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Disclosures with regards to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are annexed herewith and forms part of this Report.

Acknowledgement

Your directors put on record their whole hearted gratitude to State bank of India , The Citizens Cooperative bank, HDFC Bank and State Bank of Saurashtra for their support. We are also thankful to the executives, staff and workers of the Company for their sincere efforts in development of the Company.

For and on behalf of Board

Report Junction.com

(J. J. Chandra)
Chairman & Managing Director
Date : 25/05/2005

www.reportjunction.com