

# MISSION

To become a market leader in Light Transport Vehicle segment and achieve the status of world class company which manufactures and markets a wide range of high quality products to the total satisfaction of customers in the domestic and overseas market by ensuring:

- 1 Low cost of Manufacture
- 2 Highly Profitable Growth
- 3 Sustainable Domestic and Global Competitiveness
- 4 Maximum Stake Holders Satisfaction & Pride
- 5 Business Ethics

Through a continuous improvement of process & focus on:

- 1 Total Quality
- 2 Resource Productivity
- 3 Technology
- 4 Cost Effectiveness

And by creating an interactive professional environment of trust, openness, self confidence & commitment which encourages team effort among the stake holders, suppliers & dealers for profitable venture.

# *VISION*

*TO BE THE NO. 1 AND  
THE MOST PROFITABLE  
GLOBAL PLAYER WITH  
WORLD – CLASS QUALITY  
AND TECHNOLOGY  
LEADERSHIP IN THE LIGHT  
TRANSPORT VEHICLE  
SEGMENT OFFERING THE  
TRANSPORTATION SOLUTIONS  
TO SATISFY ULTIMATE  
CUSTOMER NEEDS.*

## **Company Information**

### **Board of Directors**

#### **Chairman and Managing Director**

J. J. Chandra

#### **Wholetime Directors**

M. J. Patel

S K Mittal

#### **Non Independent Director**

V K Kedia

#### **Independent and Non Executive Director**

Rajesh Dhruva

Ramniklal Kotecha

Suresh Kaneria

Hakubhai Lalakiya

### **Board Committees**

#### **Audit Committee**

Rajesh Dhruva

Suresh Kaneria

Hakubhai Lalakiya

#### **Shareholders Grievances Committee**

Suresh Kaneria

Rajesh Dhruva

Hakubhai Lalakiya

#### **Remuneration Committee**

Suresh Kaneria

Rajesh Dhruva

Hakubhai Lalakiya

### **Company Secretary**

CS Purvi P Mehta

### **Secretarial Auditors**

MJP Associates

Practising Company Secretaries

### **Auditors**

Maharishi & Co., Chartered Accountants

### **Bankers**

IDBI Bank Ltd.

### **Plant Location**

#### **Factory**

Survey No. 86,  
Plot No. 1 to 4,  
Near Microwave Tower,  
National Highway 8-B,  
Shapar (Veraval),  
Dist. Rajkot, Gujarat

Rajasthan  
Village Soda,  
Dist. Jaisalmer,  
Rajasthan

#### **Windmill**

Gujarat  
Village Gadhavi,  
Lamba,  
Kalyanpur,  
Jamnagar,  
Gujarat

### **Registered Office**

Survey No. 86,  
Plot No. 1 to 4,  
National Highway 8-B,  
Near Microwave Tower,  
Shapar (Veraval),  
Dist. Rajkot, Gujarat

### **Registrars & Transfer Agents**

Sharx (Dyanamic) India Pvt. Ltd.  
18/B, Dena Bank Building,  
2nd Floor,  
Horniman Circle,  
Fort, Mumbai - 400 001

## Financial Highlights

(Rs. In Lacs)

	2009-10	2008-09	2007-08	2006-07	2005-06
Turnover	11,985	11,681	8,039	12,177	12,902
Total Income	12,108	12,094	8,204	12,453	13,123
Earnings Before Depreciation Interest and Tax (EBDIT)	1,382	526	686	873	914
Depreciation	387	246	229	195	140
Exceptional Items	0	- 23	0	0	0
Profit after Tax	454	46	127	315	420
Equity Dividend	20.00%	5.00%	5.00%	10.00%	10.00%
Dividend Payout	117	29	29	54	54
Equity Share Capital	608	608	558	558	558
Reserve and Surplus	2,756	2,439	2,108	2,052	1,800
Net Worth	3,365	3,048	2,667	2,610	2,359
Gross Fixed Assets	5,928	5,734	5,023	4,051	3,256
Net Fixed Assets	4,282	4,478	3,980	3,232	2,628
Total Assets	7,736	7,786	8,837	8,197	5,838
Market Capitalisation	2,619	1,284	2,810	4,131	7,492
<b>Key Indicators</b>					
	2009-10	2008-09	2007-08	2006-07	2005-06
Earning Per Share	7.76	0.79	2.37	5.88	7.84
Turnover Per Share	220.95	213.47	170.76	262.92	280.38
Book Value per Share	57.50	52.08	49.83	48.78	44.08
Debt: Equity Ratio	0.69	1.04	1.27	1.07	0.67
EBDIT/ Gross Turnover	10.69%	4.21%	7.51%	6.20%	6.09%
Net Profit Margin	3.51%	0.37%	1.39%	2.24%	2.80%
RONW	29.58%	9.19%	17.13%	25.97%	32.80%
ROCE	18.61%	2.73%	7.28%	14.42%	19.07%

## **NOTICE**

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Atul Auto Limited will be held on Wednesday, 28th July 2010 at 4.00 P. M. at Plot no. 1 to 4, survey no. 86, National High way 8 B, Near Microwave Tower, Village Shapar (Veraval), Tal : Kotda Sangani, Rajkot, Gujarat to transact the following business: -

### **Ordinary Business**

1. To consider and adopt the audited Balance Sheet as at March 31, 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors' thereon.
2. To declare the final dividend
3. To appoint directors in place of Mr. Mahendra J Patel, who is liable to retire by rotation and being eligible, offers himself for reappointment.
4. To appoint directors in place of Mr. Rajesh Dhruva, who is liable to retire by rotation and being eligible, offers himself for reappointment.
5. To appoint M/s Maharishi & Co., Chartered Accountants, as 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.

### **Special Business**

6. **Reappointment & revision of remuneration of Mr. J. J. Chandra, Chairman & Managing Director:**

To pass, with or without modification, the following Resolution, as a Special Resolution:

**"RESOLVED THAT** in accordance with provision of section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956 as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the company as well as in pursuance of Resolution passed by the Board of Directors of the Company in its meeting held on 29<sup>th</sup> March, 2010, approval of the Company be and is hereby given for reappointment of Shri J. J. Chandra, as the Chariman & Managing Director w.e.f. 1<sup>st</sup> April, 2010 for the period of Three Years on such terms and conditions mentioned herein under, and Shri J. J. Chandra shall be liable to retire by rotation"

**"RESOLVED FURTHER THAT** the main terms and conditions of the appointment of Shri J. J. Chandra, CMD, shall be as under:

### **SALARY:**

- a) Rs. 3,00,000/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.
- b) Commission: - Shri J J Chandra, shall not be paid any other commission by the Company.
- c) Other Perquisites:
  - (i) The company shall provide him with a Car together with a driver in accordance with the company policy for business use
  - (ii) The Company shall provide and pay for membership of a club for his official and personal use.
  - (iii) The company shall reimburse reasonable medical cost incurred by him, his wife and children either directly or through appropriate insurance

- (iv) He will be eligible for accident, long-term disability and death insurance cover as remuneration committee may decide such amount from time to time.
- (v) The company shall make available to him telephone facility at his residence including cell phone to be used for the purposes of the business.

**"RESOLVED FURTHER THAT** the Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956."

**"RESOLVED FURTHER THAT** Shri J. J. Chandra, shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of Directors."

**"RESOLVED FURTHER THAT** notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri J. J. Chandra, 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, subject to provisions of Schedule XIII to the Companies Act, 1956 "

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

**7. Reappointment & revision of remuneration of Mr. M. J. Patel, Wholetime Director:**

To pass, with or without modification, the following Resolution, as a Special Resolution:

**"RESOLVED THAT** in accordance with provision of section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956 as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the company as well as in pursuance of Resolution passed by the Board of Directors of the Company in its meeting held on 27<sup>th</sup> March, 2010, approval of the Company be and is hereby given for reappointment of **SHRI MAHENDRABHAI J. PATEL**, as the Wholetime Director w.e.f. 1<sup>st</sup> April, 2010 for the period of Three Years on such terms and conditions mentioned herein under and Shri M. J. Patel shall be liable to retire by rotation."

**"RESOLVED FURTHER THAT** the main terms and conditions of the appointment of Shri M. J. Patel, Wholetime Director, shall be as under:

**SALARY:**

- a) Rs.2,75,000/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.
- b) Commission: - Shri M. J. Patel shall not be paid any other commission by the Company.
- c) Other Perquisites:
  - i. The company shall provide him with a Car together with a driver in accordance with the company policy for business use
  - ii. The Company shall provide and pay for membership of a club for his official and personal use.
  - iii. The company shall reimburse reasonable medical cost incurred by him , his wife and children either directly or through appropriate insurance
  - iv. He will be eligible for accident, long-term disability and death insurance cover of such amount as may be decided by remuneration committee from time to time.
  - v. The company shall make available to him telephone facility at his residence including cell phone to be used for the purposes of the business.

**“RESOLVED FURTHER THAT** The Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956.”

**“RESOLVED FURTHER THAT** Mr. M J Patel, shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of directors”

**“RESOLVED FURTHER THAT** notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri M J Patel, 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, subject to provisions of Schedule XIII to the Companies Act, 1956 “

**“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.”

8. **Reppointment of Mr. Sunil Kumar Mittal as the Wholetime Director:**

To pass, with or without modification, the following Resolution, as a Special Resolution:

**“RESOLVED THAT** in accordance with provision of section 198, 269, 309, 310, 311 read with Schedule XIII to the Companies Act, 1956 as well as in accordance with provision as contained in the Memorandum and Articles of Association of the Company, and in pursuance of recommendations of the Remuneration Committee of the Board of Directors of the company as well as in pursuance of Resolution passed by the Board of Directors of the Company in its meeting held on 29th March, 2010, approval of the Company be and is hereby given for reappointment of Shri Sunil Kumar Mittal as the Wholetime Director w.e.f. 1st April, 2010 for the period of One year on such terms and conditions mentioned herein under”

**“RESOLVED FURTHER THAT** the main terms and conditions of the appointment of Shri Sunil Kumar Mittal shall be as under and Shri Sunil Kumar Mittal shall be liable to retire by rotation.”

**SALARY:**

- a) Rs. 1,32,500/- per month till the remaining tenure with authority to the Board of Directors to increase the same from time to time in accordance with limits specified in Schedule XIII to the Companies Act, 1956, as amended from time to time.
- b) Other Perquisites:
  - a. House Rent Allowance: Rs. 35,000/- p.m.
  - b. Conveyance allowance Rs. 9,600/- per annum
  - c. Education allowance for children: - Rs. 2700/- per annum.
  - d. Annual Medical reimbursement for self and family members for the actual amount incurred up to Rs. 18,000/-
  - e. Contribution towards provident fund up to 12 % of basic salary or such other percentage as may be prescribed under the Rules of the respective Funds
  - f. Contribution towards superannuation fund as per Rules of the company restricted to Rs. 1,00,000/- per annum
  - g. Leave Travel Concession as per company rule restricted up to Rs. 1,32,500/- per annum
  - h. Bonus as per applicable rule of the company
  - i. Use of Company's Car along with facility of Driver for business use

- j. The company shall make available to him telephone facility at his residence including cell phone to be used for the purposes of the business.

**“RESOLVED FURTHER THAT** The Board shall have discretion, authority to modify forgoing terms, and remuneration within the limit prescribed under Schedule XIII of the Companies Act, 1956.”

**“RESOLVED FURTHER THAT** Mr. S. K. Mittal, shall not be entitled to any sitting fees for attending meetings of the Board and / or Committee of directors”

**“RESOLVED FURTHER THAT** notwithstanding anything to contrary herein contained where in any financial year during the currency of tenure of Shri Sunil Kumar Mittal, 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, subject to provisions of Schedule XIII to the Companies Act, 1956 “

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

By order of the Board of Directors

Date: 28/05/2010

**For, ATUL AUTO LIMITED,**

Place: Rajkot

**(J. J. CHANDRA)**  
**Chairman & Managing Director**

**Registered Office:**

Atul Auto Limited  
Plot No 1 to 4, Survey No. 86,  
Near Microwave Tower, National Highway 8 B,  
Rajkot Gondal Highway, Village Shapar Veraval  
Taluka Kotda Sangani, Dist Rajkot, Gujarat

**Notes:**

1. A member entitled to attend, vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself, and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of the Meeting.
2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. In terms of Article 154 of the Articles of Association of the Company, Mr. M. J. Patel & Mr. Rajesh Dhruva, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offer himself for re-appointment. Further, the Board has passed Resolution for reappointment of Mr. J. J. Chandra, as the Chairman & Managing Director, Mr. M. J. Patel, as the Wholetime Director and Mr. S. K. Mittal, as the Wholetime Director, w.e.f. 1<sup>st</sup> April, 2010, subject to approval of the Members in the ensuing Annual General Meeting. Brief resume of these Directors, nature of their expertise in specific functional areas and names of companies in which they hold Directorships and Memberships/ Chairmanships of Board Committees, as stipulated under Clause 49 of Listing Agreement



with the Stock Exchanges in India, are provided in the Report on Corporate Governance forming part of the Annual Report. The Board of Directors of the Company commends their respective re-appointments.

4. Members are requested to bring their Attendance Slip along with their copy of Annual Report to the Meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID Numbers and those who hold shares in physical form are requested to write their Folio Number in the Attendance Slip for attending the Meeting.
6. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Relevant documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days, except Sunday, between 11.00 a. m. and 1.00 p. m. up to the date of the Meeting.
8. (a) The Company has already notified closure of Register of Members and Transfer Books from Monday, **July 19, 2010** to **Tuesday, July 27, 2010** (both days inclusive) for determining the names of Members eligible for dividend on Equity Shares, if declared at the Meeting.  
(b) The dividend on Equity Shares, if declared at the Meeting, will be paid to those Members whose names shall appear on the Company's Register of Members on **July 19, 2010**. In respect of shares held in dematerialized form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories as at the end of business on **July 19, 2010**.
9. (a) In order to provide protection against fraudulent encashment of dividend warrants, Members who hold shares in physical form are requested to intimate the Company's Registrars and Transfer Agents, M/s. Sharex ( Dynamics ) Private Limited, under the signature of the Sole/First joint holder, the following information to be incorporated on dividend warrants:
  - (i) Name of the Sole/First joint holder and the Folio Number.
  - (ii) Particulars of Bank Account, viz.:
    - (a) Name of Bank
    - (b) Name of Branch
    - (c) Complete address of the Bank with Pin Code Number
    - (d) Account type, whether Savings Account (SA) or Current Account (CA)
    - (e) Bank Account Number  
(b) Members who hold shares in dematerialized form may kindly note that their Bank Account details, as furnished by their Depositories to the Company, will be printed on their dividend warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such Members for deletion of or change in such Bank Account details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in electronic form. Members who wish to change such Bank Account details are therefore requested to advise their Depository Participants about such change with complete details of Bank Account.
10. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, M/s. Sharex (Dynamics) Private Limited, for consolidation into a single folio.

11. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, M/s. Sharex (Dynamics) Private Limited, immediately of: -
  - (a) The change in the Residential status on return to India for permanent settlement.
  - (b) The particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of Bank with Pin Code Number, if not furnished earlier.
12. Members are advised to refer to the information provided in the Annual Report.

### **Annexure to the Notice**

Explanatory statement pursuant to section 173(2) of the Companies Act, 1956

#### **Item Nos. 6:**

The Board of Directors of the Company passed Resolution for reappointment of Shri J. J. Chandra, as the Chairman & Managing Director, of the Company, with effect from 1<sup>st</sup> April 2010, subject to approval of Members in the Annual General Meeting. Mr. Chandra is one of the founder promoters of the Company and is associated with the Company since its inception. Mr. Chandra has, through his foresight and visionary approach, coupled with sound understanding of the automobile industry, has led the Company to the path of growth.

The Board reappointed him as the Chairman & Managing Director of the Company w.e.f. 1<sup>st</sup> April, 2010 in compliance with the section 269 and other applicable of the companies Act, 1956 read with Schedule XIII of the said Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.

Further, the remuneration, which is proposed in the Resolution, is in consonance with the remuneration being paid by Companies of similar size in the Industry with respect to experience of the appointee. Further, details such as financial performance, export performance of the Company, components of the remuneration package of Directors, are given in Directors' Report as well as Report on Corporate Governance.

This may be treated as an abstract of the terms and conditions for increase in remuneration of Mr. J. J. Chandra, as the Chairman & Managing Director, and this is to be treated as an abstract under Section 302 of the Companies Act, 1956.

The Directors recommend the resolution at item 6 of the accompanying notice for approval of the Members of Company.

Except Shri J. J. Chandra no other director of the company, is concerned and/or interested in the above appointment.

#### **Item Nos. 7:**

The Board of Directors of the Company passed Resolution for reappointment of Shri M. J. Patel, as the Wholetime Director, of the Company, with effect from 1<sup>st</sup> April 2010, subject to approval of Members in the Annual General Meeting, Mr. M. J. Patel, has been associated with the company since long. Mr. Patel is supervising the production facility of the Company and has great management skill. The Company has benefited a lot from the expertise and vision of Mr. Patel.

The Board reappointed him as the Wholetime Director of the Company w.e.f. 1<sup>st</sup> April, 2010 in compliance with the section 269 and other applicable of the companies Act, 1956 read with Schedule XIII of the said Act, the terms of appointment and remuneration specified above are now being placed before the Members for their approval.

Further, the remuneration, which is proposed in the Resolution, is in consonance with the