

# REPORT ON CORPORATE GOVERNANCE

## CORPORATE GOVERNANCE PHILOSOPHY

At Atul Auto, Good corporate governance is considered 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 fulfils 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 Company's reputation but also crucial for obtaining and retaining the business.

The Company has adopted the values of good governance, sustainability and teamwork to create long-term value for its stakeholders. The practice of responsible governance has enabled it to achieve sustainable growth, while meeting the aspirations of its stakeholders and fulfilling societal expectations. Leveraging the principles of integrity, execution excellence, customer orientation and leadership in an ethical manner, the Company continues to take the necessary steps towards growth and to enhance value for its shareholders. The sound governance processes and systems guide the Company on its journey towards continued success.

A Report on compliance with the Corporate Governance provisions as prescribed under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given herein below:

### A. BOARD OF DIRECTORS

The Board of Directors ('the Board') has ultimate responsibility for the management, general affairs, direction, performance and long-term success of business as a whole. The Company is headed by the Chairman and Managing Director and has business / functional heads, which look after the management of the day-to-day affairs of the Company.

## BOARD COMPOSITION

The Board of the Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising Independent Directors. As on March 31, 2020, the Board comprise of Eight Directors comprising three Executive Directors (including Chairman), one Non-Executive Director and Four Independent Directors (including Two Women Directors). All three Executive Directors are Promoters/ Promoter Group Members. There is no Nominee or Shareholders' Director on the Board of the Company.

The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities and provide effective leadership to the business. The Board has put in place the plans for orderly succession for appointment to the Board and senior management. As part of its succession planning exercise, it reviews its composition periodically to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

On an annual basis, the Company obtains from each Director details of the Board and Board Committee positions he / she occupies in other Companies and changes, if any, regarding their Directorships. Further, all Directors provide an annual confirmation that they do not attract any disqualification as prescribed under section 164 of the Companies Act, 2013 and Independent Directors confirm annually that they meet the criteria of independence as defined under Section 149(6) of the Companies Act, 2013 and Listing Regulations. Based on the confirmation / declarations received from the Independent Directors and on evaluation of the relationships disclosed, the Board is of the opinion that the Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management.

**DIRECTORSHIP(S) / COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) AND OTHER DETAILS AS ON MARCH 31, 2020**

The details of each member of the Board along with the number of Directorship(s) / Committee Membership(s)/ Chairmanship(s), date of joining the Board and their shareholding in the Company as on March 31, 2020 are provided herein below:

DIN	Name of Director	Date of Joining the Board	No. of shares held in the Company	No. of Directorship in other Companies*	Names of Other Listed Entity (Type of Directorship)	Chairmanship/Membership on Committees in other Companies <sup>#</sup>	Inter-Se Relations
<b>Executive Directors</b>							
00057722	Jayantibhai J Chandra <i>Chairman &amp; Managing Director</i>	18.06.1986	13,51,742	-	-	-	Father of Mr. Neeraj J Chandra
00057735	Mahendra J Patel <i>Whole-time Director &amp; CFO</i>	30.11.1994	2,77,848	-	-	-	-
00065159	Neeraj J Chandra <i>Whole-time Director</i>	01.03.2012	1,05,118	-	-	-	Son of Mr. Jayantibhai J Chandra
<b>Non-Executive Non-Independent Director</b>							
00230480	Vijay K Kedia	31.01.2009	-	2	Lykis Limited (Non-Executive Non-Independent Director & Chairman)	-	-
<b>Independent Directors</b>							
07056179	Margie S Parikh	19.01.2015	-	-	-	-	-
06872059	Aarti J Juneja	09.02.2019	-	-	-	-	-
08535435	Mohanjit Singh Walia	10.08.2019	-	-	-	-	-
08537472	Jaichander Swaminathan	26.08.2019	-	-	-	-	-

\* Excluding Private Limited Companies, Foreign Companies, Section 8 Companies and Alternate Directorships.

# Includes only Audit Committee and Stakeholders' Relationship Committee.

The number of Directorship(s), Committee Membership(s) / Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and SEBI Listing Regulations.

## APPOINTMENT/ RE-APPOINTMENT OF DIRECTORS & TENURE

The Directors of the Company are appointed / re-appointed by the Board after considering the recommendations of the Nomination and Remuneration Committee, results of performance evaluation. All Directors, except Independent Directors of the Company, are liable to retire by rotation at the AGM each year and, if eligible, offer themselves for re- appointment. The Executive Directors on the Board have been appointed as per the provisions of the Companies Act, 2013 and serve in accordance with the terms of their contract of service with the Company.

Pursuant to section 152(6) of the Companies Act, 2013, the term of office of Mr. Vijay K Kedia is liable to retire by rotation. Being eligible, he offers himself for reappointment. This has been put up as one of the agenda items in the Notice of ensuing Annual General Meeting for the voting by shareholders.

During financial year 2019-20, Mr. Hakubhai Lalakiya, Mr. Hasmukhbhai Adhvaryoo and Mr. Hemantkumar Bhatt ceased from Directorship of the Company on account of expiry of their term as Independent Director or in compliance with regulation 17(1A) of the SEBI Listing Regulations. To fill these casual vacancies, the Board, on the recommendations of Nomination and Remuneration Committee, appointed Mr. Mohanjit Singh Walia and Dr. Jaichander Swaminathan as Additional Independent Directors with effect from August 10, 2019 and August 26, 2019 respectively. The office of three additional Independent Directors namely Ms. Aarti J Juneja, Mr. Mohanjit Singh Walia and Dr. Jaichander Swaminathan have been regularized with approval of shareholders at Thirty First Annual General Meeting (AGM) of Members held on September 30, 2019.

The terms of Dr. Margie S Parikh, Independent Director of the Company expires on August 30, 2020. To fill the vacancy, Nomination and Remuneration Committee of the Company had been hunting for the

right candidate. The Board of Directors in his Meeting Dated August 25, 2020, on the recommendation of Nomination and Remuneration Committee, appointed Mr. Vijay Kumar Goel (DIN: 05014980), as Additional Independent Director of the Company with effect from August 25, 2020. The Additional Independent Director shall hold the office till the upcoming AGM. With recommendation of Nomination and Remuneration Committee, the Board has recommended the regularization of office of Mr. Vijay Kumar Goel (DIN: 05014980) as Independent Director in ensuing AGM for approval of shareholder. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing his candidature for the office of Independent Director. His brief profile is annexed to the notice of AGM.

In accordance with the provisions of Regulation 26(5) and 26(6) of the Listing Regulations, the Key Managerial Personnel, Director(s) and Promoter(s) of the Company have affirmed that they have not entered into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company.

## BOARD MEETINGS

The Board meets at regular intervals to discuss and decide on business policy and strategy apart from other Board businesses. The tentative date of the Board and Committee Meetings is circulated to the Directors well in advance to facilitate them to plan their schedule and to ensure meaningful participation in the meetings. However, in case of a special and urgent business need, the Board's approval is taken by passing resolutions by circulation, as permitted by law, which are noted and confirmed in the subsequent Board Meetings.

Seven Board Meetings were held during the year. The details of attendance of the Directors are given below:

Name of Director	Board Meeting Dates and Attendance							Last AGM Date and Attendance
	May 25, 2019	July 20, 2019	August 10, 2019	August 26, 2019	November 11, 2019	February 13, 2020	March 16, 2020	September 30, 2019
J J Chandra	Y	N	Y	Y	Y	Y	Y	Y
Mahendra J Patel	Y	Y	Y	Y	Y	Y	Y	Y
Neeraj J Chandra	Y	Y	Y	Y	Y	Y	Y	Y
Vijay K Kedia	Y	N	Y	N	N	Y	N	N
Margie Parikh	Y	N	Y	Y	Y	Y	Y	Y
Aarti Juneja	Y	N	Y	N	Y	Y	Y	Y
Mohanjit Singh Walia	NA	NA	Y	N	N	Y	N	N
Jaichander Swaminathan	NA	NA	NA	Y	N	Y	N	N
Hakubhai Lalakiya	Y	Y	Y	NA	NA	NA	NA	NA
Hasmukhbhai Adhvaryoo	Y	Y	NA	NA	NA	NA	NA	NA
Hemant Bhatt	Y	N	N	NA	NA	NA	NA	NA

Y: Attended, N: Not Attended, NA: Not on the Board

The maximum interval between any two meetings was well within the maximum allowed gap of 120 days.

## **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/ President - Finance 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 Regulations to the Board and the Board Committees to the extent it is applicable and relevant. The Board periodically reviews compliance reports of all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances.

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 minute book within the time period provided in the Secretarial Standard.

## **SEPARATE INDEPENDENT DIRECTORS' MEETINGS**

In compliance with Schedule IV to the Companies Act, 2013 and regulation 25(3) of the SEBI Listing Regulations, the Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. During the financial year ended March 31, 2020, the Independent Directors met on February 13, 2020. All Independent Directors were present in the meeting. They review 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.

## **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, SEBI Listing Regulations 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. Neeraj J Chandra, Whole-time Director of

the Company. All Independent Directors have attended the same.

The details of familiarization programme have been posted on the website of the Company and can be accessed through the following link: <https://atulauto.co.in/corporate-governance-reports.aspx>

## **PERFORMANCE EVALUATION**

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of 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. The same can be accessed through web- link: <https://atulauto.co.in/corporate-governance-reports.aspx>

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2019-20. A structured questionnaire was prepared after circulating the draft forms, covering various parameters. 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 and President - Finance. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise.

The parameters of the performance evaluation process for the Board, inter alia, considers work done by the Board around long term strategy, rating the composition & mix of Board members, discharging its governance & fiduciary duties, handling critical and dissenting suggestions, etc. The parameters of the performance evaluation process for Directors including Independent Directors includes effective participation in meetings of the Board, domain knowledge, vision, strategy, attendance of Director(s), etc. The performance evaluation of committee's was carried out based on the degree of fulfillment of key responsibilities as outlined by the charter, adequacy of committee composition, effectiveness of meetings, quality of deliberations at the meetings and information provided to the Committees.

The Board of Directors at its meeting held on June 27, 2020, 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.

## **KEY BOARD QUALIFICATIONS, EXPERTISE AND ATTRIBUTES**

The Company's core business is manufacturing and sales of three wheeler automobiles which also includes sells of spare parts and after sales support to the customers through dealership network.

In terms of requirement of Listing Regulations, the Board has identified the following skills / expertise / competencies of the Directors as required in the context of the Company's aforesaid business for it to function effectively and those available with the Board as a whole as given below:

Skills / expertise / competencies	J J Chandra	Mahendra Patel	Neeraj Chandra	Vijay Kedia	Margie Parikh	Aarti Juneja	Mohanjit Singh Walia	Jaichander Swaminatha
Understanding of the consumer and automobile industry	√	√	√	√			√	
Managing Sales and After Sales Service through Dealership Network	√		√				√	
International Business Expansion			√				√	
Manufacturing the quality products including its testing, homologation, designing, upgradations, research and development etc.	√	√						√
Strategic thinking, decision making to protect interest of all stakeholders	√	√		√	√			√
Financial management, risk management, taxes and duties, legal and regulatory aspects etc.		√		√	√	√		
Good Corporate Governance	√				√	√	√	√

## B. COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas and activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions

held in the Committee Meetings. The outcomes of the meetings of all Committees are placed before the Board for review.

The Board has established the following statutory Committees:

### AUDIT COMMITTEE

The Audit Committee met four times during the financial year 2019-20. The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year 2019-20 are detailed below:

Name of Director	Designation	25.05.2019	10.08.2019	11.11.2019	13.02.2020
Aarti J Juneja	Chairperson/ Member	Y	Y	Y	Y
Margie Parikh	Member	Y	Y	Y	Y
Mohanjit Singh Walia	Member	NA	NA	N	Y
Jaichander Swaminathan	Member	NA	NA	N	Y
Hemantkumar Bhatt	Chairman	Y	N	NA	NA
Hakubhai Lalakiya	Member	Y	Y	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

Ms. Aarti J Juneja has been appointed as Chairperson of Audit Committee after Retirement of Mr. Hemantkumar Bhatt. Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan have been inducted as member of Audit Committee after their appointment as Independent Directors. All members of audit committee are financially literate and Ms. Aarti J Juneja has accounting and related financial management expertise.

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process and inter alia, performs the following functions:

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement are correct, sufficient and credible;
- reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;

- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- reviewing with management, Statutory Auditors, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;
- Reviewing the functioning of the Code of Conduct and Whistle Blowing mechanism.

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Companies Act,

2013 and the Listing Regulations. The detailed terms of reference of the Audit Committee is contained in 'Charter of Audit Committee' which is available on the website of the Company at web-link <https://atulauto.co.in/corporate-governance-reports.aspx>. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

The meetings of Audit Committee are also attended by the Chief Financial Officer, Statutory Auditors and President - Finance as permanent invitee. The Company Secretary acts as the Secretary to the Committee. The minutes of each Audit Committee meeting are placed in the next meeting of the Board. The Audit Committee also meets auditors separately, without the presence of the Management representatives.

#### NOMINATION AND REMUNERATION COMMITTEE

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019- 20 is detailed below:

Name of Director	Designation	25.05.2019	10.08.2019	11.11.2019	13.02.2020
Mohanjit Singh Walia	Chairman /Member	NA	NA	N	Y
Margie Parikh	Member	Y	Y	Y	Y
Aarti Juneja	Member	Y	Y	Y	Y
Jaichander Swaminathan	Member	NA	NA	N	Y
Hasmukhbhai Adhvaryoo	Chairman	Y	NA	NA	NA
Hakubhai Lalakiya	Member	Y	Y	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan have been inducted as members after their appointment as Independent Directors and Mr. Walia has been appointed as Chairman of Nomination and Remuneration Committee after cessation of Mr. Hasmukhbhai Adhvaryoo.

The composition, powers, role and terms of reference of the Nomination and Remuneration Committee are as per Part D of the Schedule II of SEBI Listing Regulations and Section 178 of the Companies Act, 2013.

The Nomination and Remuneration Committee is responsible for evaluating the balance of skills, experience, independence, diversity and knowledge on the Board and for drawing up selection criteria, ongoing succession planning and appointment procedures for both internal and external appointments. The role of Nomination and Remuneration Committee, inter alia, includes:

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;

- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.;
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors.

The Board of Directors is collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board which is available on website of the Company at <https://atulauto.co.in/corporate-governance-reports.aspx>. The Committee also recommends to the Board on extension or continuation of the term of appointment of Independent Directors on the basis of the report of performance evaluation of Directors.

#### Remuneration of Directors

- The detailed terms of reference of the Nomination and Remuneration Committee and Policy of Remuneration is contained in the 'Nomination and Remuneration Policy' which is available on

the website of the Company at <https://atulauto.co.in/corporate-governance-reports.aspx>.

- No pecuniary relationship exists between the Company and Non - Executive Directors except the holding of 1.16% equity shares of the Company by Kedia Securities Private Limited in which Mr. Vijay Kedia is interested as on March 31, 2020.
- During financial year 2019-20, the Company has neither any transaction with Non-Executive Directors nor made any payments except payment of sitting fees.

- The Executive Directors have not been paid any commission, performance linked incentives or given any stock option during financial year 2019-20.

- The executive directors are not paid any performance linked incentives/ remuneration. The following is the bifurcation of fixed component of the remuneration package of executive Directors during FY 2019-20 which is recommended by Nomination and Remuneration Committee, subsequently approved by the Board of Directors and Shareholders at their respective meetings:

Fixed Component of Remuneration	Annual Remuneration - FY 2019-20 (Amount in Rs.)		
	J J Chandra	Mahendra Patel	Neeraj Chandra
Basic	1,55,92,000	1,34,92,400	73,28,400
Contribution to Super Annuation Fund	1,50,000	1,50,000	1,50,000
Contribution to Provident Fund	--	21,600	21,600
Total	1,57,42,000	1,36,64,000	75,00,000

- The contract period of employment for Mr. Jayantibhai J Chandra and Mr. Mahendra J Patel is of three years from April 01, 2019 to March 31, 2022. Whereas the contract period of employment for Mr. Neeraj J Chandra is being expired on March 31, 2021 and reappointment is being proposed in next Annual General Meeting of the Company.
- The notice period applicable to all three executive directors is three months.

#### STAKEHOLDERS' RELATIONSHIP COMMITTEE

The composition of the Stakeholders Relationship Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

Name of Director	Designation	25.05.2019	10.08.2019	11.11.2019	13.02.2020
Margie Parikh	Chairperson	Y	Y	Y	Y
Aarti Juneja	Member	Y	Y	Y	Y
Mohanjit Singh Walia	Member	NA	NA	N	Y
Jaichander Swaminathan	Member	NA	NA	N	Y
Hemantkumar Bhatt	Member	Y	N	NA	NA
Hasmukhbhai Adhvaryoo	Member	Y	NA	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

Mr. Mohanjit Singh Walia and Mr. Jaichander Swaminathan have been inducted as members of Stakeholders Relationship Committee after their appointment as Independent Directors.

The role of Stakeholders' Relationship Committee includes supervision of shareholder grievances mechanism, ensuring expeditious share transmission/ transposition process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The Committee also reviews matters relating to unclaimed equity shares and dividend/shares transferred to Investor Education

and Protection Fund (IEPF) pursuant to the IEPF Rules. The Committee considers and resolves the grievances of the security holders of the listed entity including complaints related to transmission/ transposition of shares, non-receipt of annual report and non-receipt of declared dividends etc.

The Committee has periodic interaction with the representatives of the Registrar and Transfer Agent of the Company.

Mr. Paras J. Viramgama, Company Secretary, is Compliance Officer for

resolution of Shareholder's/ Investor's complaints. During the Financial Year ended March 31, 2020, eight complaints were received from the shareholders and resolved during the year. No complaint was pending or unresolved to the satisfaction of the shareholder as on March 31, 2020.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE ("CSR Committee")**

The composition of CSR Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2019-20 is detailed below:

<b>Name of Director</b>	<b>Designation</b>	<b>25.05.2019</b>	<b>10.08.2019</b>	<b>11.11.2019</b>	<b>13.02.2020</b>
Jayantibhai Chandra	Chairman	Y	Y	Y	Y
Margie Parikh	Member	NA	NA	Y	Y
Aarti Juneja	Member	NA	Y	Y	Y
Mohanjit Singh Walia	Member	NA	NA	N	Y
Hakubhai Lalakiya	Member	Y	Y	NA	NA
Hasmukhbhai Adhvaryoo	Member	Y	NA	NA	NA

Y: Attended, N: Not Attended, NA: Not in the Committee

The CSR Committee is empowered, pursuant to its terms of reference, inter alia, to:

- Recommend the amount of expenditure to be incurred on the activities;
- Monitor implementation and adherence to the CSR Policy of the Company from time to time;
- Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
- Such other activities as the Board of Directors may determine from time to time.

The details of the CSR initiatives as per the CSR Policy of the Company forms part of the CSR Section in the Annual Report.

Mr. Paras Viramgama, Company Secretary and Compliance Officer of the Company remained present in all meetings of Board and Committees and acted as secretary to all Committee meetings held during the year.

#### **C. GOVERNANCE OF SUBSIDIARY COMPANY**

The Board of Directors of the Company is responsible for governance of the subsidiary companies namely Atul Green Automotive Private Limited (CIN: U74999GJ2018PTC100815) wholly owned subsidiary company and Atul Greentech Private Limited (CIN: U31909GJ2020PTC112350) wholly owned subsidiary company incorporated in the month of January 2020. The minutes of the Board Meetings of both the subsidiary companies along with the details of significant transactions and arrangements entered into by the subsidiary companies are shared with the Board of Directors on a quarterly basis. The financial statements of both the subsidiary companies are presented to the Audit Committee.

The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding ten percent of the consolidated net worth or income of ten percent of the consolidated income of the Company.

#### **D. COMPANY POLICIES**

##### **VIGIL MECHANISM/ WHISTLE BLOWER POLICY**

Pursuant to Section 177(9) and 177(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 Company has provided dedicated e- mail address [whistleblowing@atulauto.co.in](mailto:whistleblowing@atulauto.co.in) for reporting such concerns. Alternatively, employees can also send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel have been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Company Secretary and CFO have been made responsible for effective implementation of the policy and dealing with the complaints registered under the policy. All cases registered under the Whistle Blower Policy of the Company, are reported to the Management Committee and are subject to the review of the Audit Committee.

The Whistle Blower Policy is available on the website of the Company <https://atulauto.co.in/corporate-governance-reports.aspx>

##### **CODE OF CONDUCT**

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board Members and Senior Management Personnel. The Company has adopted a Code of Conduct for members of the Board and the Senior Personnel. 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 March 31, 2020. The declaration to this effect signed by Mr. J J Chandra, Chairman and Managing Director of the Company forms part of the report. A copy of the said Code of Conduct is available on the website of the Company <https://atulauto.co.in/corporate-governance-reports.aspx>



## POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Policy on Related Party Transactions which is also available at Company's website under the web link: <https://atulauto.co.in/corporate-governance-reports.aspx>

The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties.

This policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions. All Related Party Transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for Related Party Transactions on a quarterly basis for transactions which are of repetitive nature and / or entered in the ordinary course of business and are at Arm's Length. All Related Party Transactions entered during the year were in Ordinary Course of the 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.

## INSIDER TRADING CODES

The Company has adopted a Code of Conduct to Regulate, Monitor and Report trading by Designated Persons (Insider Trading Code) under Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (SEBI Insider Trading Regulations). SEBI notified several amendments to SEBI Insider Trading Regulations pursuant to SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 which were made effective from April 01, 2019.

The Board of Director at their meeting held on February 09, 2019, approved formulation/ amendments to the aforesaid.

The Code of Conduct to Regulate, Monitor and Report trading by Designated Persons and Code of Fair Disclosure Policy have been uploaded on website of the Company and can be accessed through the <https://atulauto.co.in/corporate-governance-reports.aspx>

## POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

The Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the Listing Regulations. This Policy has also been posted on the website of the Company and can be accessed through the web link: <https://atulauto.co.in/corporate-governance-reports.aspx>

## E. OTHER DISCLOSURES AND AFFIRMATIONS

**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.

**Disclosure of pending cases / Instances of non-compliance:** There were no non-compliances by the Company and no instances of penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other statutory authority on any matter related to the capital market during the last three years.

**Secretarial Compliance Report:** SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial Compliance Audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The Report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR - 3 and is required to be submitted to Stock Exchanges within sixty days from the end of the financial year. Due to COVID-19 Pandemic, SEBI vide its Circular dated 19th March 2020 extended the time limit to submit the report for the year ended March 31, 2020 period up to June 30, 2020.

The Company has engaged the services of CS Bunty Hudda, M/s. Hudda & Associates, Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification. The said report has been submitted with the stock exchanges within the provided time-limit.

**Total fees paid to Statutory Auditors of the Company:** Total fees of Rs.7.49 Lacs for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

**Disclosure of accounting treatment in preparation of financial statements:** The Company adopted Indian Accounting Standards (Ind AS) from April 01, 2017. Accordingly, the financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

**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.

**CEO/CFO Certification:** As required under Regulation 17 of the Listing Regulations, the CEO/ CFO certificate for the financial year 2019-20 signed by Mr. J J Chandra, Chairman & Managing Director and Mr. Mahendra J Patel, Whole-time Director & CFO, was placed before the Board of Directors of the Company at its meeting held on June 27, 2020.

**Certificate on Non-Disqualification of Directors:** The Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Bunty Hudda, M/s. Hudda & Associates, Practicing Company Secretaries that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority was placed before the Board of Directors at their meeting held on June 27, 2020. The same has been annexed.

**Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A):** Not Applicable

**Where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year:** None

**Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:** The details of number of complaints filed and disposed of during the year and pending as on March 31, 2020 is given in the Directors' report.

**Compliance with Discretionary Requirements of regulation 27(1):** In addition to mandatory requirements of the SEBI (Listing Obligations and

Disclosure Requirements) Regulations, 2015, the 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.

## GENERAL SHAREHOLDER INFORMATION

### GENERAL BODY MEETINGS OF LAST THREE YEARS:

Financial Year	Date and Time	Venue	Details of special resolutions passed
2016-17	September 29, 2017 11:00 am	Registered Office	No special resolutions were passed at this meeting
2017-18	September 28, 2018 11:00 am	Registered Office	<ul style="list-style-type: none"> <li>• Reappointment of Mr. J J Chandra, Chairman &amp; Managing Director with increase in remuneration</li> <li>• Reappointment of Mr. M J Patel, Whole-time Director &amp; CFO with increase in remuneration</li> <li>• Reappointment of of Mr. Neeraj Chandra, Whole-time Director with increase in remuneration</li> <li>• Approval to deliver document through a particular mode as may be sought by the member.</li> </ul>
2018-19	September 30, 2019 11:00 am	Registered Office	<ul style="list-style-type: none"> <li>• Ratification of Appointment of Mr. Hasmukh H Adhvaryoo (DIN: 06456067)</li> <li>• Creation of charge/ providing of security while borrowing money</li> <li>• Increase in remuneration of Mr. Jayantibhai J Chandra, Chairman and Managing Director</li> <li>• Increase in remuneration of Mr. Mahendra J Patel, Whole-time Director &amp; CFO</li> <li>• Increase in remuneration of Mr. Neeraj J Chandra, Whole-time Director</li> </ul>

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

### ANNUAL GENERAL MEETING FOR FY 2019-20:

Date : Tuesday, September 29, 2020  
Time : 03:00 pm (IST)  
Venue : Through VC/OAVM

### DATE OF BOOK CLOSURE:

From : September 23, 2020  
To : September 29, 2020

### DIVIDEND DETAILS:

Interim Dividend@ Rs.1.50 for FY 2019-20  
Declared by the Board of Directors : November 11, 2019  
Paid on : November 27, 2019

### FINANCIAL YEAR:

From 1st April, 2019 to 31st March, 2020

### LISTING DETAILS:

- BSE Limited - Scrip Code : 531795  
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001
- National Stock Exchange of India Limited - Scrip Symbol: ATULAUTO  
Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E) Mumbai-400051

### ISIN

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

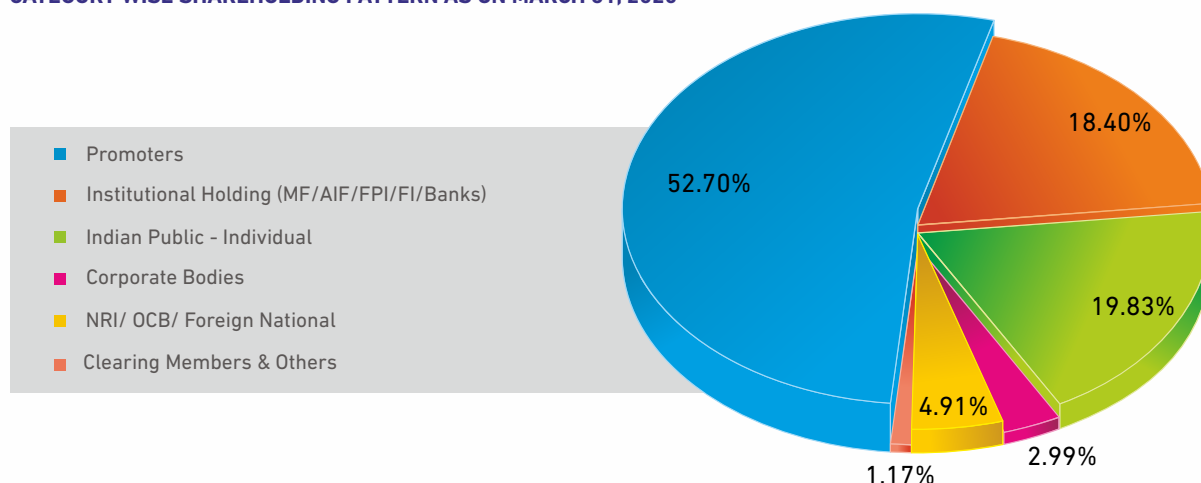
The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended March 31, 2020.

## DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on March 31, 2020 is as follows:

No. of Shares		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Shares	% of Shares
-	100	15667	73.41%	570177	2.60%
101	200	2135	10.00%	343060	1.56%
201	500	1944	9.11%	655527	2.99%
501	1000	831	3.89%	607801	2.77%
1001	5000	612	2.87%	1256325	5.73%
5001	10000	50	0.24%	363124	1.65%
10001	100000	64	0.30%	1852587	8.44%
100001	ABOVE	39	0.18%	16294599	74.26%
<b>TOTAL</b>		<b>21342</b>	<b>100.00%</b>	<b>21943200</b>	<b>100.00%</b>

## CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2020



## DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on March 31, 2020 are as under:

Mode of Holding	No. of shares	% of shares
Physical Mode	2,14,422	0.98%
NSDL Holding	1,76,83,025	80.58%
CDSL Holding	40,45,753	18.44%
Total	2,19,43,200	100.00%

The shares of the Company can be held and traded in electronic form only. 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 update their KYC and 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.

### UNCLAIMED DIVIDEND/ SHARE CERTIFICATE

Pursuant to provisions of Section 124(5) of the Companies Act, 2013, if the dividend transferred to the Unpaid Dividend Account of the Company remains unpaid or unclaimed for a period of seven years from the date of such transfer, such unclaimed or unpaid dividend shall be

transferred by the Company along with interest accrued, if any to the Investor Education and Protection Fund ('the IEPF'), a fund established under sub-section (1) of section 125 of the Act.

The details of unclaimed/unpaid dividend are available on the website of the Company viz. <https://atulauto.co.in/unclaimed-dividend.aspx>

In terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) (IEPF Rules) shares on which dividend has not been paid or claimed by a shareholder for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits (like bonus, etc.), if any, accruing on such shares shall also be

credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholders from IEPFA by following the procedure prescribed under the aforesaid rules. No share of the company was liable to be transferred to IEPFA during FY 2019-20.

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, Rs.5,70,702/- of unpaid / unclaimed dividend transferred during the financial year 2019-20 to the Investor Education and Protection Fund and no shares were required to be transferred.

The Company has appointed Mr. Paras J Virangama, Company Secretary and Compliance Officer as Nodal Officer under the provisions of IEPF rules, the details of which are available on the website of the Company: <https://atulauto.co.in/unclaimed-dividend.aspx>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company on the Company's website <https://atulauto.co.in/unclaimed-dividend.aspx>

Therefore, it is in the interest of shareholders to regularly claim the dividends declared by the Company.

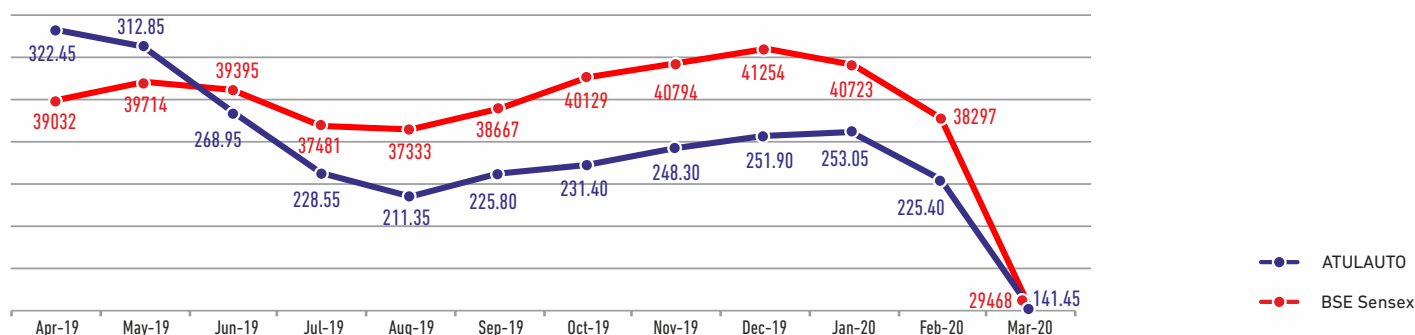
#### MARKET PRICE DATA:

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2020 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-19	372.40	321.05	39,299	372.90	321.25	4,16,443
May-19	347.00	283.10	41,902	343.00	291.00	3,43,716
Jun-19	314.40	261.25	22,938	313.10	260.00	2,20,364
Jul-19	278.00	227.00	22,693	278.00	226.00	2,32,970
Aug-19	233.50	198.00	52,077	234.80	195.45	2,72,340
Sep-19	243.80	203.00	37,055	243.80	202.25	3,28,560
Oct-19	247.00	215.75	19,996	248.00	216.10	3,24,547
Nov-19	251.40	206.60	42,546	252.00	215.00	4,27,633
Dec-19	262.40	228.25	42,227	262.00	228.00	5,28,897
Jan-20	298.70	241.05	1,30,296	298.45	242.00	19,21,447
Feb-20	280.00	218.20	54,468	270.00	222.20	8,03,515
Mar-20	231.15	117.00	54,834	236.00	116.80	5,40,436

#### PERFORMANCE IN COMPARISON TO BROAD-BASED INDICE

The Chart below shows the comparison of Company's share price movement on BSE vis-à-vis the movement of BSE Sensex for the financial year ended March 31, 2020 (based on month end closing):



#### SHARE TRANSFER SYSTEM

After the merger of M/s. Sharex Dynamic (India) Private Limited, M/s. Link Intime India Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related activities like transmission of shares, transposition of shares, name deletion, change of address, amongst others.

The Board of Directors of the Company have delegated the authority to approve the transmission of shares or requests for deletion of name of the shareholder etc., as mentioned in regulation 9 of the Listing Regulations to the designated official 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 official of the Company and reviewed by the Stakeholders' Relationship Committee.

A summary of approved transmissions, deletion requests etc. are placed before the Board of Directors from time to time as per the Listing Regulations.

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice certifying the Compliance of Regulation 40 (9) of the SEBI Listing Regulations and files a copy of the said certificate with Stock Exchanges.

## MEANS OF COMMUNICATIONS

### Publication of quarterly financial results

Quarterly, half-yearly and annual financial results of the Company were published in leading English and vernacular newspaper like Economic Times, Financial Express except annual financial results for the quarter/ year ended March 31, 2020 as allowed by SEBI vide its circular dated March 26, 2020 on account of COVID-19 pandemic.

### Website and News Releases

A separate section under "INVESTORS" on the Company's website [www.atulauto.co.in](http://www.atulauto.co.in) gives information on various announcements made by the Company, status of unclaimed dividend/ share, stock quotes, Annual Report, Quarterly, Half-yearly and Annual financial results

### Physical Communication

For any queries related to shares of the Company, the correspondence may please be addressed to the Company's Registrars & Share Transfer Agent or to the Company at following address:

Link Intime India Private Limited  
C101, 247 Park,  
Lal Bahadur Shastri Marg,  
Vikhroli (West),  
Mumbai - 400083  
Phone : 022 4918 6270  
E-Mail : [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Web: [www.linkintime.co.in](http://www.linkintime.co.in)

### PLANT LOCATION:

Shapar Plant  
Survey No. 86, Plot No. 1 to 4,  
8B National Highway,  
Near Microwave Tower,  
Shapar (Veraval), Dist. Rajkot  
Gujarat, INDIA 360024

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

The Company makes timely disclosures of necessary information to BSE Limited (BSE) and 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.

### Designated Email Address for Investor Services

The designated email address for investor complaints is [investorrelations@atulauto.co.in](mailto:investorrelations@atulauto.co.in)

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 235500  
E-Mail : [investorrelations@atulauto.co.in](mailto:investorrelations@atulauto.co.in)  
Web: [www.atulauto.co.in](http://www.atulauto.co.in)

Upcoming Plant: Ahmedabad Plant  
Survey No. 521, 525, 530, 541, 542,  
Rajkot-Ahmedabad Highway,  
Near Super Gas Plant,  
Village: Bhayla, Taluka: Bavla,  
Dist. Ahmedabad, Gujarat, INDIA 382220

## ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

### DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that Atul Auto Limited ("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 March 31, 2020.

Shapar (Dist. Rajkot)  
June 27, 2020

Jayantibhai J Chandra  
Chairman and Managing Director  
(DIN: 00057722)

### 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,

We, Mr. Jayantibhai J Chandra (DIN: 00057722), Chairman and Managing Director and Mr. Mahendra J Patel (DIN: 00057735), Whole-time Director & CFO of Atul Auto Limited ("the Company") hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2020 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) 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:
- (i) Significant changes, if any in internal control over financial reporting during the year;
  - (ii) Significant changes, if any in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Shapar (Dist. Rajkot)  
June 27, 2020

(Jayantibhai J Chandra)  
Chairman and Managing Director  
(DIN: 00057722)

(Mahendra J Patel)  
Whole-time Director & CFO  
(DIN: 00057735)

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of Atul Auto Limited  
Survey No.86, Plot No. 1 to 4,  
8B National Highway,  
Nr. Microwave Tower,  
Shapar (Veraval),  
Rajkot - 360024, Gujarat, INDIA

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Atul Auto Limited having CIN L54100GJ1986PLC016999 and having registered office at Survey No.86, Plot No. 1 to 4, 8B National Highway, Nr. Microwave Tower, Shapar (Veraval), Rajkot - 360024, Gujarat, INDIA (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority

Sr. No.	Name of Director	DIN	Date of appointment in Company
1	Jayantibhai Jagjivanbhai Chandra	00057722	18/06/1986
2	Mahendra Jamnadas Patel	00057735	30/11/1994
3	Neeraj Jayantibhai Chandra	00065159	01/03/2012
4	Vijay Kishanlal Kedia	00230480	31/01/2009
5	Margieben Sunil Parikh	07056179	19/01/2015
6	Aarti Jeetendra Juneja	06872059	09/02/2019
7	Mohanjit Singh Walia	08535435	10/08/2019
8	Jaichander Swaminathan	08537472	26/08/2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Ahmedabad  
June 15, 2020

**Bunty Hudda**  
**Company Secretary in practice**  
Membership No: ACS 31507  
CP No. 11560  
UDIN: A031507B000343269

**INDEPENDENT AUDITOR'S CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To  
the Members of  
Atul Auto Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated September 30, 2019.
2. We, Kamlesh Rathod & Associates, Chartered Accountants, the Statutory Auditors of Atul Auto Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2020, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Management's Responsibility for compliance with the conditions of Listing Regulations**

3. The compliance with the terms and conditions contained in the corporate governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.

**Auditor's Responsibility**

4. Our examination 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.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2020.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certificate of Corporate Governance issued by the institute of the Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for special Purpose issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. In our opinion and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. 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.

**Restriction on use**

10. The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For Kamlesh Rathod & Associates**  
Chartered Accountants  
Firm's Registration No: 117930W

**Kamlesh Rathod**  
**Partner**  
Membership No: 101046  
UDIN: 20101046AAAAAN9233

Shapar (Dist. Rajkot)  
August 25, 2020