

# 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.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27, 46 read with other schedules and regulations to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations" or "Listing Regulations") as applicable, with regard to corporate governance.

## 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, 2022, the Board comprise of Eight Directors comprising three Executive Directors (including Chairman), one Non-Executive Director and Four Independent Directors (including One Women Director). 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, 2022

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, 2022 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*	Name of Other Listed Entity (Type of Directorship)	Membership / Chairpersonship of Committees in other Companies#	Inter-Se Relations
<b>Executive Directors</b>							
00057722	Jayantibhai J Chandra Chairman & Managing Director	18.06.1986	13,51,742	--	--	--	Father of Mr. Neeraj J Chandra
00057735	Mahendra J Patel Whole-time Director & CFO	30.11.1994	2,77,848	--	--	--	--
00065159	Neeraj J Chandra Whole-time Director	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	--	1	--	--	--

DIN	Name of Director	Date of Joining the Board	No of Shares held in the Company	No. of Directorship in other Companies*	Name of Other Listed Entity (Type of Directorship)	Membership / Chairpersonship of Committees in other Companies#	Inter-Se Relations
<b>Independent Directors</b>							
06872059	Aarti J Juneja	09.02.2019	--	1	--	--	--
08535435	Mohan jit Walia	10.08.2019	--	--	--	--	--
05014980	Vijay Kumar Goel	25.08.2020	--	--	--	--	--
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 etc. All Directors, except Independent Directors of the Company, are liable to retire by rotation at the AGM 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. Mahendra J Patel 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.

The first term of Mr. Mohan Jit Walia and Mr. Jaichander Swaminathan as Independent Directors of the Company expires on August 09, 2022 and August 25, 2022 respectively. As they further qualifies and being eligible, on the recommendations of the Nomination and Remuneration Committee of the Company, the Board of Directors has reappointed Mr. Walia by passing the resolution through circulation on August 08, 2022 and reappointed Mr. Swaminathan at its Meeting held on August 13, 2022, for three more years i.e. upto August 08, 2025 and August 24, 2025 respectively subject to approval of shareholders in ensuing Annual general Meeting. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member, proposing their candidatures for the office of Independent Directors. The brief profile of both the directors are 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.

#### DECLARATIONS OF INDEPENDENCE

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations read with Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of the SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation that exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the Listing Regulations and Section 149(6) of the Act and that they are independent of the management.

#### 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.

Six 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
	June 10, 2021	June 25, 2021	August 07, 2021	September 10, 2021	November 13, 2021	February 12, 2022	September 28, 2021
J J Chandra	Y	Y	Y	Y	Y	Y	Y
Mahendra J Patel	Y	Y	Y	Y	Y	Y	Y
Neeraj J Chandra	Y	Y	Y	Y	Y	Y	Y
Vijay K Kedia	Y	Y	Y	Y	Y	Y	Y
Aarti Juneja	Y	Y	Y	Y	Y	Y	Y
Mohan Jit Walia	Y	Y	Y	Y	Y	Y	Y
Jaichander Swaminathan	Y	Y	Y	Y	Y	Y	Y
Vijay Kumar Goel	N	Y	Y	Y	Y	Y	Y

Y: Attended, N: Not Attended

The maximum interval between any two meetings was well within the maximum allowed gap as per the Companies Act, 2013 and SEBI Listing Regulations, 2015.

### **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, 2022, the Independent Directors met on March 30, 2022. 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.

### **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. Two such sessions around two and half 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 Nomination and Remuneration 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 2021-22. 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 members of senior management. 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 May 27, 2022, 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	Aarti Juneja	Mohan Jit Walia	Jaichander Swaminatha	Vijay Kumar Goel
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 minutes 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 six times during the financial year 2021-22. 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 2021-22 are detailed below:

Name of Director	Designation	10.06.2021	25.06.2021	07.08.2021	10.09.2021	13.11.2021	12.02.2022
Aarti J Juneja	Chairperson	Y	Y	Y	Y	Y	Y
Mohan jit Walia	Member	Y	Y	Y	Y	Y	Y
Jaichander Swaminathan	Member	Y	Y	Y	Y	Y	Y
Vijay Kumar Goel	Member	N	Y	N	Y	Y	Y

Y: Attended, N: Not Attended

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 <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 Board Meeting. The Audit Committee also meets auditors separately, without the presence 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 2021-22 is detailed below:

Name of Director	Designation	25.06.2021
Mohan Jit Walia	Chairman	Y
Aarti J Juneja	Member	Y
Jaichander Swaminathan	Member	Y
Vijay Kumar Goel	Member	Y

Y: Attended, N: Not Attended

The composition, powers, role and terms of reference of 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 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 1.465% equity shares of the Company by Kedia Securities Private Limited in which Mr. Vijay Kedia is interested as on March 31, 2022.
- During the financial year 2021-22, the Company has made payment of ₹81,28,399/- to Mr. Vijay Kedia, Non-Executive Director of the Company against purchase of 5,02,995 equity Shares of face value of ₹10/- of Khusbu Auto Finance Limited at the price of ₹16.16/- per share (as determined by the registered valuer) as part of making KAFL a Wholly-Owned Subsidiary of Atul Auto Limited. Further, all Non-Executive Directors have also been paid sitting fees for attending Board and Committee Meetings. No other transaction has been made with Non-Executive Directors.
- The Directors have not been paid any commission, performance linked incentives, and performance linked remuneration or any stock option during financial year 2021-22.
- The following is the bifurcation of fixed component of the remuneration package of executive Directors paid during FY 2021-22:

Fixed Component of Remuneration	Annual Remuneration - FY 2021-22 (Amount in Rs.)		
	J J Chandra	Mahendra Patel	Neeraj Chandra
Basic	95,19,700	83,43,600	46,48,400
Contribution to Super Annuation Fund	1,50,000	1,50,000	1,50,000
Contribution to Provident Fund	--	21,600	21,600
Total	96,69,700	85,15,200	48,20,000

- The Executive Directors have forgiven their approximately forty percent of the remuneration during FY 2021-22. The annual remuneration approved by the Shareholders for Mr. J J Chandra, Mr. Mahendra Patel and Mr. Neeraj Chandra are ₹1,60,92,000/-, ₹1,39,68,000/- and ₹78,00,000/- per annum respectively.
- In addition to the above, the Company pays for the health insurance of Director and his family members upto ₹40,000/- per Executive Director annually and yearly premium for personal accident cover upto ₹30,000/- per Executive

Director annually as part of Company policy.

- The contract period of employment for Mr. Jayantibhai J Chandra and Mr. Mahendra J Patel are of three years from April 01, 2022 to March 31, 2027 and for Mr. Neeraj J Chandra is of three years from April 01, 2021 to March 31, 2024.
- The notice period applicable to all three executive directors is three months. There is no severance fees.

### 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 2021-22 is detailed below:

Name of Director	Designation	25.06.2021
Vijay Kumar Goel	Chairman	Y
Aarti Juneja	Member	Y
Mohan Jit Walia	Member	Y
Jaichander Swaminathan	Member	Y

Y: Attended, N: Not Attended

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, 2022, two complaints were received from the shareholders and resolved during the year. No complaint was pending or unresolved as on March 31, 2022.

### 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 2021-22 is detailed below:

Name of Director	Designation	25.06.2021
Jayantibhai Chandra	Chairman	Y
Aarti Juneja	Member	Y
Mohan Jit Walia	Member	Y
Vijay Kumar Goel	Member	Y

Y: Attended, N: Not Attended

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.

With the Companies (Amendment) Act, 2020, where the amount to be spent for CSR does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under section 135 shall be discharged by the Board of Directors of such company. The liability for CSR for FY 2022-23 for the Company is Rs.14,13,487/- and hence, the Board of directors at its meeting held on May 27, 2022 dissolved the CSR Committee with immediate effect.

### RISK MANAGEMENT COMMITTEE

Pursuant to regulation 21(5) of the SEBI Listing Regulations, 2015, the constitution of Risk Management Committee was applicable to top 500 companies. With amendment to regulation 21(5) of the SEBI Listing Regulations, 2015 with effect from May 05, 2021, the board of directors of top 1000 listed entities, determined on the basis of market capitalization, required to constitute the Risk Management Committee.

As the Company falls in the list of top 1000 Company as on March 31, 2021, the Board at its Meeting held on August 07, 2021 constituted the Risk Management Committee. Mr. Mahendra J Patel, Mr. Neeraj J Chandra and Mr. Vijay K Kedia and Jaichander Swaminathan are members of the Committee.

The composition of Risk Management 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 2021-22 is detailed below:

Name of Director	Designation	23.03.2022	30.03.2022
Mahendra J Patel	Chairman	Y	Y
Neeraj J Chandra	Member	Y	Y
Vijay K Kedia	Member	Y	N
Jaichander Swaminathan	Member	Y	Y

Y: Attended, N: Not Attended

### C. GOVERNANCE OF SUBSIDIARY COMPANY

The Board of Directors of the Company is also responsible for governance of the subsidiary companies namely Atul Green Automotive Private Limited (CIN: U74999GJ2018PTC100815), Atul Greentech Private Limited (CIN: U31909GJ2020PTC112350) and Khushbu Auto Finance Limited (CIN: U74999GJ1994PLC022816). All these are wholly owned subsidiary of Atul Auto Limited as on March 31, 2022.

The minutes of the Board Meetings of all 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.

Khushbu Auto Finance Limited ("KAFL") has become wholly owned subsidiary of the Company after completion the acquisition of 70% equity share capital of KAFL whereby making it Wholly Owned Subsidiary on September 01, 2021. Before the acquisition, the Company was holding 30% equity share capital of KAFL.

As per explanation provided under the Regulation 24 of the SEBI Listing Regulations, 2015, the term "material subsidiary" shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year.

KAFL, wholly owned subsidiary of the Company is to be considered as unlisted material subsidiary since net-worth of KAFL (₹68 Crore) is more than 20% of net-worth of AAL (₹293 Crore) as on March 31, 2021.

The Board of Directors of KAFL, at its meeting held on February 21, 2022 has appointed Ms. Aarti Juneja (DIN: 06872059), Independent Director of the Company as Director of KAFL as per the said regulation which states that at least one independent director of the board of directors of the listed entity shall be a director on the board of directors of an unlisted material subsidiary.

The Board of Directors of the Company has approved to manufacture, assemble and sale electric three-wheelers by Atul Greentech Private Limited ("AGPL"). To meet the fund requirements of AGPL, AGPL has raised ₹15 Crore by way of allotment of 25,00,000 Lakh equity shares of ₹10/- each at a price of ₹60/- each (Evaluated by Registered Valuer) through private placement to the shareholder/s other than Atul Auto Limited including Mr. Vijay Kedia, Non-Executive Director (DIN: 00230480) of Atul Auto Limited in the month of May 2022. Post-allotment, Atul Auto Limited holds eighty percent stake in AGPL.

Whereas Atul Green Automotive is in the business of sales of spare parts of Atul vehicles to certain international markets.

## **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 Regulations, 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 Management 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, 2022. 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 Company has made necessary modifications to the said policy in line with the amendments introduced by the SEBI (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021.

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). 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>

The Company has been updating its Code/ Policy from time to time to comply with the several amendments made by SEBI to the SEBI Insider Trading Regulations.

## POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

The Company has formulated a Policy for determining 'Material' Subsidiaries as defined in Regulation 16 of the SEBI 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 Board of Directors has approved the framework of 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 in Form MR-3 and is required to be submitted to Stock Exchanges within sixty days from the end of the financial year.

The Company has engaged the services of CS Hardik Hudda, M/s. Hardik Hudda & Associates (Membership No: A39621, CP No.: 14697), Peer Reviewed Practicing Company Secretary and Secretarial Auditor of the Company for providing the said report. The said report has been submitted with the stock exchanges within the time-limit.

**Secretarial Audit of Material Unlisted Indian Subsidiary:** The Secretarial Audit of Khushbu Auto Finance Limited ("KAFL"), a material unlisted subsidiary of the Company carried out for the Financial Year 2021-22 pursuant to section 204 of the Companies Act, 2013 and Regulation 24A of the Listing Regulations. The Secretarial Audit Report of KAFL has been issued by CS Hardik Hudda, M/s. Hardik Hudda & Associates (Membership No: A39621, CP No.: 14697). This Secretarial Audit Report has been attached as Annexure [B] to the Director's Report.

**Total fees paid to Statutory Auditors of the Company:** Total fees of ₹5.67 Lacs for financial year 2021-22, 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, proactive vendor development practices, increase in product pricing. 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 2021-22 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 May 27, 2022. The same has been annexed.

**Certificate on Non-Disqualification of Directors:** The Certificate as required under Part C of Schedule V of Listing Regulations, received from CS Hardik Hudda, M/s. Hardik 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 August 13, 2022. 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, 2022 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
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>
2019-20	September 29, 2020 03.00 pm (IST)	Registered Office (Through VC/OAVM)	<ul style="list-style-type: none"> <li>Re-appointment of Mr. Neeraj J Chandra (DIN: 00065159) as Whole-time Director</li> </ul>
2020-21	September 28, 2021 03.30 pm (IST)	Registered Office (Through VC/OAVM)	<ul style="list-style-type: none"> <li>Re-appointment of Ms. Aarti J Juneja (DIN: 06872059) as Independent Director</li> <li>Re-appointment of Mr. Jayantibhai J Chandra (DIN: 00057722) as Chairman and Managing Director</li> <li>Re-appointment of Mr. Mahendra J Patel (DIN: 00057735) as Whole-time Director &amp; CFO</li> </ul>

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

### ANNUAL GENERAL MEETING FOR FY 2021-22:

Date : Tuesday, September 27, 2022  
Time : 11:00 am (IST)  
Venue : VC/ OAVM

### DATE OF BOOK CLOSURE:

From : September 21, 2022  
To : September 27, 2022

### DIVIDEND DETAILS:

No Dividend declared during Financial Year 2021-22

### FINANCIAL YEAR:

From April 01, 2021 to March 31, 2022

### 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 ₹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, 2022.

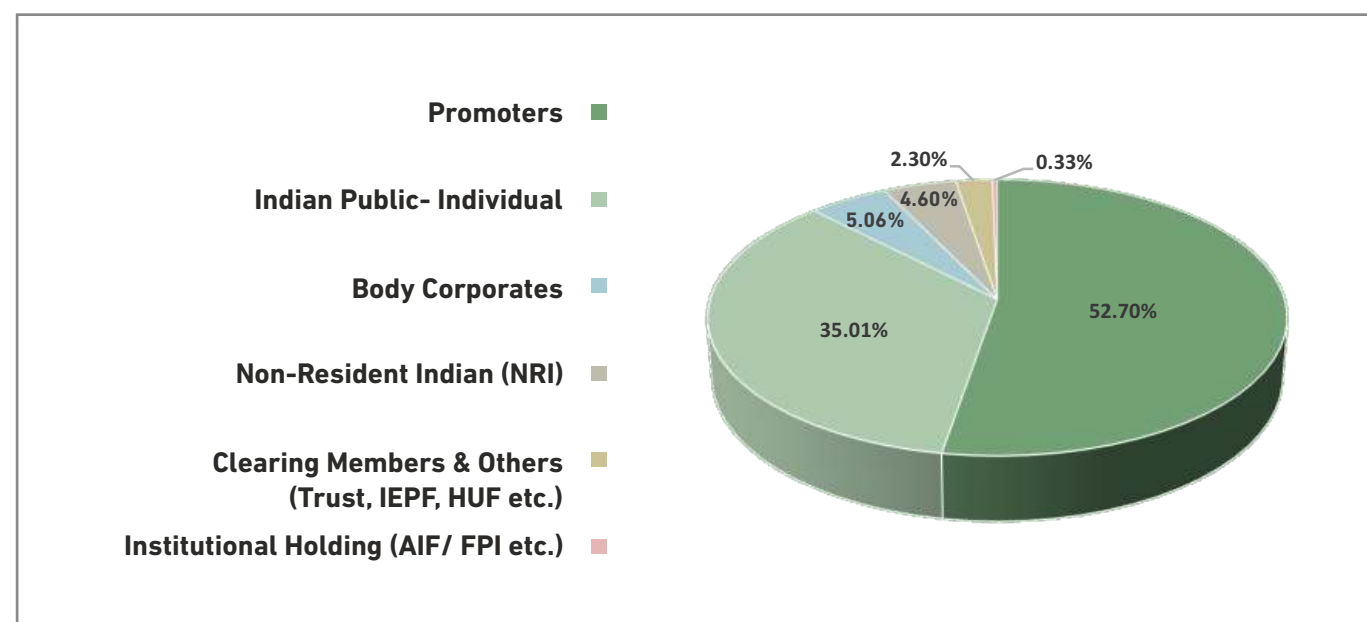
### DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on March 31, 2022 is as follows:

No. of Shares		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Shares	% of Shares
-	100	32935	75.67%	1125267	5.13%
101	200	4466	10.26%	720109	3.28%
201	500	3690	8.48%	1275456	5.81%
501	1000	1351	3.10%	1055457	4.81%
1001	5000	865	1.99%	1821611	8.30%
5001	10000	84	0.19%	634011	2.89%
10001	100000	98	0.23%	2289078	10.43%
100001	ABOVE	36	0.08%	13022211	59.35%
	<b>Total</b>	<b>43525</b>	<b>100.00%</b>	<b>21943200</b>	<b>100.00%</b>

## CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2022

Type Of Shareholders	No. of Shares	Percentage
Promoters	11563810	52.70%
Indian Public - Individual	7680740	35.01%
Body Corporates	1110998	5.06%
Non-Resident Indian (NRI)	1009655	4.60%
Clearing Members & Others (Trust, IEPF, HUF etc.)	505776	2.30%
Institutional Holding (AIF/ FPI etc.)	72221	0.33%



## DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on March 31, 2022 are as under:

Mode of Holding	No. of shares	% of shares
NSDL Holding	1,51,59,076	69.08%
CDSL Holding	65,89,682	30.03%
Physical Mode	1,94,442	0.89%
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), the 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.

In terms of the provisions of the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016, ₹4,18,796/- of unpaid/ unclaimed dividend and 2,538 shares of face value of ₹5/- each transferred during the financial year 2021-22 to the Investor Education and Protection Fund/ Demat account of IEPAF.

Mr. Paras J Viramgama, Company Secretary and Compliance Officer is a 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>

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

## SHARE TRANSFER SYSTEM

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 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.

## CREDIT RATING

The Company was assigned the credit rating of CRISIL A-/ Stable (Downgraded from CRISIL A/Stable) for its long term bank loan facilities and CRISIL A2+ (Downgraded from CRISIL A1) for its short term bank loan facilities. During FY 2021-22, it was downgraded to CRISIL BBB+/ Negative for its long term bank loan facilities and CRISIL A2 for its short term bank loan facilities.

## MARKET PRICE DATA

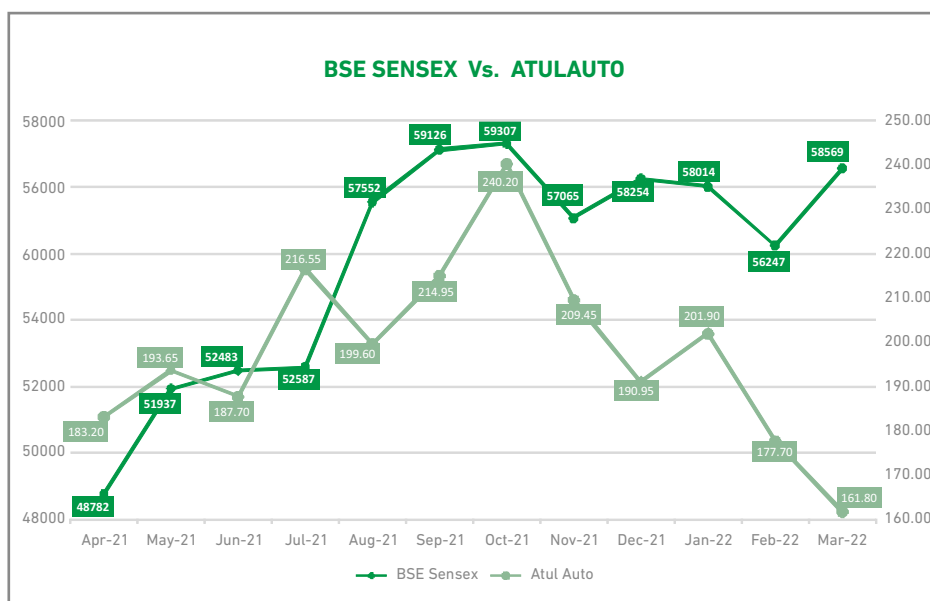
The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2022 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-21	194.25	162.60	2,51,693	194.80	164.20	25,90,750
May-21	197.05	171.00	3,07,589	197.00	171.10	27,75,891
Jun-21	204.75	182.00	6,23,505	207.00	184.20	55,14,026
Jul-21	237.00	185.95	12,93,506	237.00	185.25	1,32,44,929
Aug-21	226.00	183.50	6,24,916	226.20	183.40	43,28,390
Sep-21	225.60	190.95	5,53,735	225.80	190.00	49,53,795
Oct-21	250.10	212.70	9,36,423	250.30	212.20	68,11,499
Nov-21	270.00	202.40	6,00,976	268.25	199.25	46,54,464
Dec-21	225.00	186.55	2,48,551	239.00	186.00	23,55,481
Jan-22	216.35	188.65	4,17,883	216.45	188.00	27,06,988
Feb-22	209.00	158.00	1,77,234	209.50	146.50	13,79,218
Mar-22	182.00	156.30	3,36,603	182.70	156.20	17,30,299

## PERFORMANCE IN COMPARISON TO BROAD-BASED INDEX

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, 2022 (based on month end closing):

Month	BSE Sensex	ATULAUTO
Apr-21	48782	183.20
May-21	51937	193.65
Jun-21	52483	187.70
Jul-21	52587	216.55
Aug-21	57552	199.60
Sep-21	59126	214.95
Oct-21	59307	240.20
Nov-21	57065	209.45
Dec-21	58254	190.95
Jan-22	58014	201.90
Feb-22	56247	177.70
Mar-22	58569	161.80



## 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.

### 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 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)

### 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  
(Unit: Atul Auto 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)

### 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)

### PLANT LOCATION:

#### Shapar Plant

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

#### Ahmedabad Plant

New R. S.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, 2022

## 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, 2022.

Bhayla, Ahmedabad  
May 27, 2022

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, 2022 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.

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

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

Bhayla, Ahmedabad  
May 27, 2022

## 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](http://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, 2022 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	Aarti Jeetendra Juneja	06872059	09/02/2019
6	Mohanjit Singh Walia	08535435	10/08/2019
7	Swaminathan Jaichander	08537472	26/08/2019
8	Vijay Kumar Goel	05014980	25/08/2020

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.

**For Hardik Hudda & Associates,  
Practicing Company Secretaries**

**CS Hardik Hudda  
Proprietor  
Membership No: A39621 CP No.: 14697  
Peer Review No. 1805/2022  
UDIN: A039621D000472075**

June 07, 2022  
Ahmedabad

**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 June 25, 2021.
- 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, 2022, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

**Management's Responsibility**

- 3) The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliances with the conditions of Corporate Governance stipulated in the Listing Regulations.

**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, 2022.
- 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, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic 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 other person or for any other purpose. Accordingly, we do not accept or assume 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.

Jamnagar  
August 13, 2022

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

**Sagar Shah,**  
**Partner**  
**Membership No: 131261**  
**UDIN: 22131261APDNJD8047**