

Annexure to the Directors' Report

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1. Conservation of energy, technology absorption and foreign exchange earnings and outgo

1.1. Conservation of energy

1.1.1. Measures taken:

- i) Control of steam pressure of steam ejectors
- ii) Installation of energy efficient cooling water and chilled water pumps
- iii) Recovery of heat from steam condensate

1.1.2. Additional investments and proposals being implemented:

- i) Completion of ultrasonic leak detection audit of air
- ii) Recovery of steam condensate from distribution headers and utilising as boiler feed water
- iii) Replacement of conventional agitators by energy efficient agitators

1.2. Technology absorption

1.2.1. Research and development

- i) Specific areas in which research and development (R&D) was carried out by the Company:

The Company focused its R&D efforts on process improvement of existing products, recovery of products from waste, and development of new products and formulations.

- ii) Benefits derived from R&D:

The Company increased yield of six products, decreased consumption of raw materials and solvents in eight products, recovered two value added products from waste and introduced 24 new products in the market.

- iii) Future plan:

The Company is investing further in people and equipment so as to strengthen its R&D and thereby enhance its capability.

- iv) R&D expenditure

(₹ cr)			
Capital	Recurring	Total	Total R&D expenditure as a percentage of total sales
3.38	29.01	32.39	0.66%

1.2.2. Technology absorption, adaptation and innovation

- i) Efforts in brief made towards technology absorption, adaptation and innovation:

The Company upgraded some of its operations by imbibing new technologies.

- ii) Benefits derived as a result of the above efforts:

The above efforts have resulted in decrease in time cycle and increase in throughput.

- iii) Technology imported during the last three years reckoned from the beginning of the financial year:

The Company did not import any technology.

1.3. Foreign exchange earnings and outgo

1.3.1. Export sales: activities, development initiatives and future plans

The Company sold its products in 75 countries, directly and through its subsidiary companies in the USA, the UK, the UAE, China and Brazil. Sales outside India* increased by 47% from ₹ 1,535 cr to ₹ 2,254 cr. The Company is taking further steps to strengthen its sales and marketing.

*Free On Board (FOB) value

1.3.2. Total foreign exchange earnings and outgo

(₹ cr)		
Particulars	2021-22	2020-21
Earnings		
Exports – FOB value	2,254.15	1,534.61
Others including dividends	-	-
Outgo		
Payment for raw materials, books and periodicals, dividend, etc	1,005.35	549.12

2. Subsidiary, joint venture and associate companies | entities and joint operation

2.1. Operational

No.	Name	Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
	Subsidiary companies												
01.	Aaranyak Urmi Ltd	0.21	(0.10)	0.37	0.26	-	0.33	(0.09)	(0.02)	(0.07)	-	100%	INR
02.	Atul Bioscience Ltd	29.02	42.50	182.39	110.87	0.01	126.23	(2.61)	0.03	(2.64)	-	100%	INR
03.	Atul Biospace Ltd	11.03	6.86	19.00	1.11	9.85	9.79	1.09	0.29	0.80	-	100%	INR
04.	Atul Brasil Quimicos Ltda	1.13	0.60	2.10	0.37	-	1.30	0.42	-	0.42	-	100%	BRL
05.	Atul China Ltd	4.06	8.63	49.40	36.71	-	149.14	3.96	0.23	3.73	-	100%	CNY
06.	Atul Europe Ltd	32.70	25.88	136.21	77.63	9.20	243.07	19.31	1.71	17.61	-	100%	GBP
07.	Atul Fin Resources Ltd	15.58	4.15	20.00	0.27	-	1.05	0.78	0.19	0.59	-	100%	INR
08.	Atul Finserv Ltd	40.92	70.60	113.86	2.34	103.27	1.46	0.42	0.10	0.32	-	100%	INR
09.	Atul Infotech Pvt Ltd	0.30	20.29	21.33	0.74	0.02	4.40	(0.12)	(0.01)	(0.11)	-	100%	INR
10.	Atul Middle East FZ LLC	0.62	3.16	3.81	0.03	-	6.71	1.87	-	1.87	-	100%	AED
11.	Atul Products Ltd	5.00	(1.11)	299.54	295.65	-	-	(1.01)	0.02	(1.03)	-	100%	INR
12.	Atul Rajasthan Date Palms Ltd	8.11	(1.84)	20.34	14.07	-	1.25	(1.63)	(0.11)	(1.52)	-	73.98%	INR
13.	Atul USA Inc	15.16	26.19	111.63	70.28	-	420.19	11.37	3.35	8.02	-	100%	US\$
14.	DPD Ltd	2.49	36.98	58.06	18.59	-	47.14	20.04	4.42	15.62	-	98.00%	GBP
15.	Ossia Infrastructure Ltd	3.85	3.01	8.36	1.50	0.05	18.25	4.16	1.05	3.11	-	100%	INR
	Associate companies												
01.	Amd Ltd	9.43	27.35	46.96	10.18	5.43	43.28	3.32	0.90	2.43	-	49.85%	INR
02.	Amal Speciality Chemicals Ltd	5.00	(0.64)	85.04	80.68	-	-	(0.56)	0.01	(0.57)	-	49.85%	INR
03.	Atul Crop Care Ltd	0.05	4.03	6.58	2.50	0.16	16.83	1.13	0.39	0.74	-	26.00%	INR
04.	Atul Homecare Ltd (formerly known as Lopox Polymers Ltd)	0.05	3.33	5.86	2.48	0.13	15.46	0.82	0.22	0.60	-	20.00%	INR
	Joint venture company												
01.	Rudolf Atul Chemicals Ltd	5.84	50.35	72.80	16.61	-	121.16	21.75	5.36	16.39	4.38	50.00%	INR
	Joint operation												
01.	Anaven LLP	134.00	(12.13)	300.41	178.54	-	160.31	(1.80)	-	(1.80)	-	50.00%	INR

(₹ cr)

2.2. Non-operational

(₹ cr)

No.	Name	Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
Subsidiary companies													
01.	Aasthan Dates Ltd	2.10	(0.35)	1.75	-	-	0.04	(0.01)	-	(0.01)	-	100%	INR
02.	Anchor Adhesives Pvt Ltd	0.59	(0.08)	0.51	-	-	0.03	0.03	0.01	0.02	-	100%	INR
03.	Atul Deutschland GmbH	0.84	(0.53)	0.62	0.30	-	-	(0.05)	-	(0.05)	-	100%	Euro
04.	Atul Healthcare Ltd	0.10	-	0.10	-	-	-	-	-	-	-	100%	INR
05.	Atul Ireland Ltd	-	(0.28)	0.86	1.14	-	0.74	(0.23)	-	(0.23)	-	100%	Euro
06.	Atul Lifescience Ltd	0.01	-	0.01	-	-	-	-	-	-	-	100%	INR
07.	Atul Natural Dyes Ltd	0.01	-	0.01	-	-	-	-	-	-	-	100%	INR
08.	Atul Natural Foods Ltd	0.01	-	0.01	-	-	-	-	-	-	-	100%	INR
09.	Atul Nivesh Ltd	2.50	0.70	3.20	-	-	0.25	0.25	0.06	0.19	-	100%	INR
10.	Atul Paints Ltd	0.01	-	0.01	-	-	-	-	-	-	-	100%	INR
11.	Atul Renewable Energy Ltd	0.01	-	0.01	-	-	-	-	-	-	-	100%	INR
12.	Biyaban Agri Ltd	1.09	(0.56)	0.54	0.01	-	0.02	0.02	-	0.01	-	100%	INR
13.	Raja Dates Ltd	4.10	(0.54)	3.63	0.08	-	0.06	(0.08)	(0.03)	(0.05)	-	100%	INR
14.	Sehat Foods Ltd	0.10	-	0.10	-	-	-	-	-	-	-	100%	INR
Associate companies													
01.	Atul Aarogya Ltd	0.07	0.07	0.14	-	0.07	-	-	-	-	-	41.67%	INR
02.	Atul Ayurveda Ltd	0.08	0.02	0.10	-	0.04	-	-	-	-	-	41.67%	INR
03.	Atul Clean Energy Ltd	0.10	(0.01)	0.09	-	0.02	-	-	-	-	-	28.47%	INR
04.	Atul Entertainment Ltd	0.07	0.02	0.09	-	0.04	-	-	-	-	-	41.67%	INR
05.	Atul Hospitality Ltd	0.06	0.02	0.08	-	0.02	-	-	-	-	-	41.67%	INR
06.	Atul Polymers Products Ltd	0.05	(0.11)	0.07	0.13	0.01	-	-	-	-	-	50.00%	INR
07.	Atul (Retail) Brands Ltd	0.10	(0.01)	0.09	-	0.05	-	-	-	-	-	43.05%	INR
08.	Atul Seeds Ltd	0.09	(0.01)	0.08	-	0.03	-	-	-	-	-	43.98%	INR
09.	Jayati Infrastructure Ltd	0.09	(0.01)	0.08	-	0.03	-	-	-	-	-	43.98%	INR
10.	Osia Dairy Ltd	0.09	(0.01)	0.08	-	0.03	-	-	-	-	-	43.98%	INR

AED: United Arab Emirates Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, INR: Indian Rupee, US\$: United States Dollar
Rate of exchange considered as on March 31, 2022 are 1 AED = ₹ 20.67, 1 BRL = ₹ 16.05, 1 CNY = ₹ 11.97, 1 Euro = ₹ 84.14, 1 GBP = ₹ 99.42 1 US\$ = ₹ 75.78

3. Corporate social responsibility

3.1. Brief outline on CSR Policy, programs and scope of the Company

3.1.1. Policy

Atul will volunteer its resources to the extent it can reasonably afford to contribute towards enhancing the quality of life, thereby the standard of living of people, particularly the marginalised sections of the society. Essentially, the indicative beneficiaries are the needy, who are living below the poverty line in rural or urban areas, particularly where Atul is operating. The endeavour is to uplift them through the chosen programs (mentioned below) so that they can live with dignity and self-respect.

3.1.2. Programs and scope

The Company will take up projects and | or carry out activities under three broad programs: i) Education and Empowerment, ii) Health and Relief and iii) Conservation and Infrastructure with varied scope of work.

- i) Education and Empowerment
 - a) Establish and | or support educational institutes
 - b) Establish and | or support vocational institutes
 - c) Enhance education in rural areas
 - d) Promote integrated development of rural | tribal areas
 - e) Promote sustainable livelihood opportunities
 - f) Support needy and | or meritorious students
- ii) Health and Relief
 - a) Eradicate hunger and malnutrition
 - b) Establish and | or improve medical care centres
 - c) Promote health, hygiene and sanitation
 - d) Promote sports and fitness
 - e) Support deserving | needy patients
 - f) Support during natural calamities
- iii) Infrastructure and Conservation
 - a) Conserve natural resources
 - b) Develop and | or improve rural utilities
 - c) Develop and | or improve rural amenities
 - d) Protect flora and fauna
 - e) Protect and | or promote art and culture
 - f) Restore sites of historical importance

3.2. Composition of the CSR Committee:

No.	Name of Directors	Designation Nature of Directorship	Number of meetings held during the year	Number of meetings attended during the year
1.	S A Panse	Chairperson Independent Director	1	1
2.	S S Lalbhai	Member Executive Director	1	1
3.	B N Mohanan	Member Executive Director	1	1

3.3. Details of URL for disclosure of composition of the CSR Committee, CSR Policy and CSR projects on the website of the Company:

<https://www.atul.co.in/investors/investorsstakeholders-information/corporate-social-responsibility/>

3.4. Impact assessment:
not applicable

3.5. Details of the amount available for set-off in pursuance of sub-rule (3) of Rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set-off for the financial year:

(₹ lakhs)

No.	Financial year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
-	-	-	-

3.6. Average net profit of the Company as per Section 135(5):

₹ 74,307.50 lakhs

3.7. CSR obligation:

(₹ lakhs)

a)	2% of average net profit of the Company as per Section 135(5)	1,486.15
b)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	-
c)	Amount required to be set-off for the financial year	-
d)	Total CSR obligation for the financial year [a) + b) + c)]	1,486.15

3.8. a) CSR amount spent or unspent for the financial year:

(₹ lakhs)

Total amount spent for the financial year	Amount unspent				
	Total amount transferred to the Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per the second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the fund	Amount	Date of transfer
1,054.34	434.76	April 25, 2022	Not applicable	-	Not applicable

b) Details of CSR amount spent against ongoing projects for the financial year:

(₹ lakhs)

No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Project duration (years)	Amount allocated for the project	Amount spent in the current financial year	Amount transferred to the Unspent CSR Account for the project as per Section 135 (6)	Mode of implementation - direct	Mode of implementation - through implementing agency	
				State	District						Name	CSR registration number
1.	Establishment of Atul Medical Diagnostic Centre	Promoting health	Yes	Gujarat	Valsad	3	485.00	50.24	434.76	No	ARDF*	CSR00002585
2.	Setting up of nature-based wastewater recycling systems	Conservation of natural resources	Yes	Gujarat	Valsad	3	45.00	45.09	-	Yes	-	-

*Atul Rural Development Fund

c) Details of CSR amount spent against other than the ongoing projects for the financial year:

(₹ lakhs)

No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Amount spent for the project	Amount transferred to unspent CSR Account for the Project as per Section 135 (6)	Mode of implementation - Direct	Mode of implementation - through implementing agency	
				State	District				Name	CSR registration number
01.	Enhancement of educational practices in Kalyani Shala	promoting education	Yes	Gujarat	Valsad	36.45	NA	No	Atul Foundation	CSR00000635
02.	Improvement of teaching methodology for primary school children - Adhyapika project	promoting education	Yes	Gujarat	Valsad	63.00	NA	No	Atul Foundation	CSR00000635
03.	Support to tribal children in Atul Vidyamandir	promoting education	Yes	Gujarat	Valsad	12.30	NA	No	Atul Foundation	CSR00000635
04.	Support to develop a school in a tribal area	promoting education	Yes	Gujarat	Navsari	13.00	NA	No	Atul Foundation	CSR00000635
05.	Provision of scholarships to needy and meritorious students	promoting education	Yes	Gujarat	Valsad	4.80	NA	No	Atul Foundation	CSR00000635
06.	Provision of education kits to children	promoting education	Yes	Gujarat	Valsad	12.30	NA	No	Atul Foundation	CSR00000635
07.	Support to needy special children	promoting education	Yes	Gujarat	Valsad	5.15	NA	No	Atul Foundation	CSR00000635
08.	Introduction of digital education through tablet laboratory	promoting education	Yes	Gujarat	Valsad	6.10	NA	No	Atul Foundation	CSR00000635
09.	Conservation of manuscripts	promoting education	Yes	Gujarat	Ahmedabad	50.00	NA	No	Atul Foundation	CSR00000635
10.	Support to children with special needs	promoting education	Yes	Gujarat	Bharuch	1.40	NA	No	Atul Foundation	CSR00000635
11.	Promotion of learning and life skills among children	promoting education	No	Karnataka	Bangalore	1.00	NA	No	Atul Foundation	CSR00000635
12.	Contribution to publish books on Indian culture philosophy	promoting education	No	Rajasthan	Jaipur	3.50	NA	No	Atul Foundation	CSR00000635

(₹ lakhs)

No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Amount spent for the project	Amount transferred to unspent CSR Account for the Project as per Section 135 (6)	Mode of implementation - Direct	Mode of implementation - through implementing agency	
				State	District				Name	CSR registration number
13.	Support to develop a school in an economically deprived area	promoting education	No	West Bengal	Murshidabad	12.50	NA	No	Atul Foundation	CSR00000635
14.	Skills training to youth as apprentices	enhancing livelihood	Yes	Gujarat	Valsad	95.01	NA	Yes	-	-
15.	Empowerment of women youth through various vocational training courses	enhancing vocational skills	Yes	Gujarat	Valsad	27.65	NA	No	Atul Foundation	CSR00000635
16.	Skill development of youth through vocational training with NABARD	enhancing vocational skills	Yes	Gujarat	Valsad	11.60	NA	No	Atul Foundation	CSR00000635
17.	Development of micro-entrepreneurs to provide sustainable livelihood	enhancing livelihood	Yes	Gujarat	Valsad	12.40	NA	No	Atul Foundation	CSR00000635
18.	Creation of livelihood opportunities for tribal families by providing cows	enhancing livelihood	Yes	Gujarat	Valsad	35.40	NA	No	Atul Foundation	CSR00000635
19.	Empowerment of women through self-help groups	empowering women	Yes	Gujarat	Valsad	10.50	NA	No	Atul Foundation	CSR00000635
20.	Enhancement of rural health through health camps	promoting health	Yes	Gujarat	Valsad	12.50	NA	No	Atul Foundation	CSR00000635
21.	Promotion of nutrition garden	promoting health	Yes	Gujarat	Valsad	4.75	NA	No	Atul Foundation	CSR00000635
22.	Promotion of health and wellbeing of adolescents and women	promoting health	Yes	Gujarat	Valsad	17.80	NA	No	Atul Foundation	CSR00000635
23.	Provision of blood units to the needy and deserted patients	promoting health	Yes	Gujarat	Bharuch	2.40	NA	No	Atul Foundation	CSR00000635



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(₹ lakhs)

No.	Name of the project	Item from the list of activities in Schedule VII to the Act	Local area	Location of the project		Amount spent for the project	Amount transferred to unspent CSR Account for the Project as per Section 135 (6)	Mode of implementation - Direct	Mode of implementation - through implementing agency	
				State	District				Name	CSR registration number
24.	Retrofitting of individual household toilets	promoting health	Yes	Gujarat	Valsad	12.00	NA	No	Atul Foundation	CSR00000635
25.	Support to needy patients	promoting health	Yes	Gujarat	Valsad	15.50	NA	No	Atul Foundation	CSR00000635
26.	Support related to COVID-19 pandemic	promoting health	Yes	Gujarat	Valsad	18.94	NA	Yes	-	-
						81.70	NA	No	Atul Foundation	CSR00000635
27.	Construction of walkway and streetlights	developing rural infrastructure	Yes	Gujarat	Valsad	100.49	NA	Yes	-	-
28.	Development of infrastructure in Atul and surrounding villages	developing rural infrastructure	Yes	Gujarat	Valsad	29.33	NA	Yes	-	-
						44.35		No	Atul Foundation	CSR00000635
29.	Establishment of solid waste management system in Atul village	promoting health and sanitation	Yes	Gujarat	Valsad	70.85	NA	No	Atul Foundation	CSR00000635
30.	Conservation of soil and water	conservation of natural resources	Yes	Gujarat	Valsad	23.65	NA	No	Atul Foundation	CSR00000635
						6.64	NA	Yes	-	-
31.	Conservation of energy through solar power	conservation of natural resources	Yes	Gujarat	Valsad	24.00	NA	No	Atul Foundation	CSR00000635
32.	Protection of animals	conservation of natural resources	Yes	Gujarat	Valsad	1.45	NA	No	Atul Foundation	CSR00000635
			No	New Delhi	New Delhi	10.00	NA	No	Dhyan Foundation	CSR00003498
Total						890.41				

d) Amount spent in administrative overheads:

₹ 68.60 lakhs

e) Amount spent on impact assessment:

nil

f) Total amount spent for the financial year (b+c+d+e):

₹ 1,489.10 lakhs

g) Excess amount for set-off, if any:

(₹ lakhs)

No.	Particular	Amount
(i)	2% of average net profit of the Company as per Section 135(5)	1,486.15
(ii)	Total amount spent for the financial year	1,489.10
(iii)	Excess amount spent for the financial year [(ii)-(i)]	2.95
(iv)	Surplus arising out of the CSR projects or programs or activities of the previous financial years	Nil
(v)	Amount available for set-off in succeeding financial years [(iii)-(iv)]	Nil*

*Being a small amount, no set-off is considered.

3.9. (a) Details of the unspent CSR amount for the preceding three financial years:

(₹ lakhs)

No.	Preceding financial year	Amount transferred to the Unspent CSR Account under Section 135 (6)	Amount spent in the reporting financial year	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any			Amount remaining to be spent in succeeding financial years
				Name of the Fund	Amount	Date of transfer	
-	-	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(₹ lakhs)

No.	Project ID	Name of the project	Financial year in which the project was commenced	Project duration	Total amount allocated for the project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of reporting financial year	Status of the project - completed ongoing
-	-	-	-	-	-	-	-	-

3.10. Details relating to the asset(s) created or acquired through CSR spend in the financial year:

No.	Detail	Name of the asset
a)	Date of creation or acquisition of the capital asset(s)	-
b)	Amount of CSR spent for creation or acquisition of the capital asset	-
c)	Details of the entity or public authority or beneficiary under whose name such capital asset(s) is are registered, their addresses, etc	-
d)	Details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	-

3.11. Reasons if the Company has failed to spend two percent of the average net profit as per Section 135(5): not applicable

Chairman and Managing Director	Chairperson CSR Committee
S S Lalbhai DIN: 00045590	S A Panse DIN: 02599310

4. Secretarial Audit Report

Form number MR – 3 Secretarial Audit Report

For the financial year ended March 31, 2022

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To the members of Atul Ltd

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Atul Ltd (hereinafter called the Company). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts | statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives, during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2022, according to the provisions of:

- i. The Companies Act, 2013 (Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;
- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021
 - e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021
 - h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

Other sector specific laws as applicable to the Company, including product laws, pollution laws, manufacturing laws and safety laws as per confirmations of compliances placed before the Board of Directors, for our verification carried out on test-check basis and considered as assurance for existence of proper compliance management system.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (d), (e) and (g) of paragraph (v) mentioned hereinabove during the period under review.

We have also examined compliance with the applicable clauses of the following:

- i. Secretarial standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with BSE Ltd and National Stock Exchange of India Ltd and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended).

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other sector specific laws as reported hereinabove. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under other sector specific laws and regulations applicable to the Company.

We further report that the Board of Directors of the Company is duly constituted with proper balance of the Executive Directors and the Non-executive Directors (Independent and Non-independent). The changes in the composition of the Board that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the views of the dissenting members are captured and recorded as part of the minutes, wherever required.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines.

We further report that during the audit period, there were no specific events | actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc, except approval by the Board for the buy-back of equity shares of the Company for an amount not exceeding ₹ 70,00,00,000/- (Rupees seventy crores) at a price not exceeding ₹ 11,000/- per equity share, which represents 2.16% and 2.10% of the total paid-up equity share capital and free reserves (including securities premium account) as per the audited Standalone and Consolidated Financial Statements. At the maximum buy-back size and the maximum buy-back price, the indicative maximum number of equity shares to be bought back under the proposed buy-back may be 63,636 equity shares, which represents 0.22% of the total number of equity shares of the Company.

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)

Partner

Membership number: F 3544

Certificate of practice number: 2356

UDIN: F003544D000206824

Peer review certificate number: 702 | 2020

Ahmedabad
April 26, 2022



Note: This report is to be read with our letter of even date, which is annexed as Annexure I and forms an integral part of this report.

Annexure – I to the Secretarial Audit Report

To the members of Atul Ltd

Subject: Secretarial Audit Report for the financial year ended on March 31, 2022

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of the Management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)

Partner

Membership number: F 3544

Certificate of practice number: 2356

UDIN: F003544D000206824

Peer review certificate number: 702 | 2020

Ahmedabad
April 26, 2022

5. Statement of particulars under Sections 134(3)(q) and 197(12) of the Companies Act, 2013*

Particulars	Status		
	Number of times		
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year		if total remuneration of the Director is considered	if total remuneration of the Director, excluding variable pay and commission, is considered
	R A Shah	3.30	0.81
	B S Mehta	5.26	1.16
	S M Datta	3.79	0.72
	V S Rangan	4.48	0.90
	M M Chitale	4.65	0.81
	S A Panse	3.44	0.63
	B R Arora	6.14	1.54
	S S Lalbhai	348.73	134.59
	S A Lalbhai	76.22	33.23
	B N Mohanan	47.15	38.18
	T R Gopi Kannan	55.29	46.36
ii) Percentage increase in remuneration of the Directors, the Chief Executive Officer, the Chief Financial Officer and the Company Secretary, if any, in the financial year	Directors		
	R A Shah		(5.15%)
	B S Mehta		19.96%
	S M Datta		(8.64%)
	V S Rangan		(5.66%)
	M M Chitale		(8.79%)
	S A Panse		(7.24%)
	B R Arora		(3.61%)
	Chairman and Managing Director		
	S S Lalbhai		(2.70%)
	Managing Director		
	S A Lalbhai		7.32%
	Whole-time Director		
	B N Mohanan		18.46%
Whole-time Director and Chief Financial Officer			
T R Gopi Kannan		9.29%	
Company Secretary			
L P Patni		5.06%	
iii) Percentage increase in the median remuneration of employees in the financial year			1.86 %
iv) Number of permanent employees on the rolls of the Company			3,034
v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and explanation if there are any exceptional circumstances for increase in the managerial remuneration	Average increase for Key Managerial Personnel and for other employees was about 8%. There is no exceptional increase in remuneration of Key Managerial Personnel.		
vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company		

*Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2022.