

Corporate Governance Report

The best asset is a clean conscience.

- Gautama Buddha



1. Philosophy

Transparency and accountability are the two basic tenets of Corporate Governance. Atul is proud to belong to a Group whose Founder lived his life with eternal Values and built the business enterprises on the foundation of good governance.

The Company is committed to conducting business the right way, which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavours to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its stakeholders.

The Board of Directors (Board) is responsible for and is committed to good Corporate Governance and plays a critical role in overseeing how the Management serves the short and long-term interests of the shareholders and other stakeholders.

2. Board

2.1. Board business

The normal business of the Board comprises:

2.1.1. Approving:

- i) appointment of the Cost Auditors
- ii) short, medium or long-term borrowings
- iii) capital expenditure and operating budgets
- iv) commission payable to the Directors within the limit set by the shareholders
- v) contracts in which the Director(s) are deemed to be interested
- vi) cost audit reports
- vii) creation of charge on assets in favour of lenders
- viii) declaration of interim dividend
- ix) joint ventures, collaborations, mergers and acquisitions
- x) loans and investments
- xi) matters requiring statutory | Board consent
- xii) sale of investments and assets
- xiii) unaudited quarterly financial results and audited annual accounts, both consolidated and on a standalone basis, including segment revenue, results and capital employed

2.1.2. Monitoring:

- i) potential conflicts of interest of the Management, the Board Members and the shareholders, including misuse of corporate assets and abuse in related party transactions
- ii) implementation of performance objectives and corporate performance
- iii) effectiveness of the governance practices and making desirable changes
- iv) the Board nomination process such that it is transparent and results in diversity of experience, gender, knowledge, perspective and thoughts in the Board
- v) the Management and providing strategic guidance while ensuring that encouraging positive thinking does not result in over-optimism that either leads to significant risks not being recognised or exposes the Company to excessive risk

2.1.3. Noting:

- i) general notices of interest of the Directors
- ii) minutes of the meetings of the Board and its committees and also the resolution(s) passed by circulation

2.1.4. Recommending:

- i) appointment of the Statutory Auditors
- ii) final dividend

2.1.5. Reviewing:

- i) corporate strategy, major plans of action, Risk Policy, annual budgets and business plans
- ii) default in payment of statutory dues
- iii) fatal or serious accidents, dangerous occurrences and material environmental matters
- iv) foreign exchange exposure and exchange rate movement
- v) the integrity of the accounting and financial reporting systems, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards

2.1.6. Setting:

- i) a corporate culture and the Values
- ii) a well-defined mandate, composition and working procedures of the committees

2.1.7. Others:

- i) Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders
- ii) Aligning remuneration of the key executives and the Board Members with the long-term interests of the Company and the shareholders
- iii) Applying high ethical standards
- iv) Assigning sufficient number of the Non-executive Board Members capable of exercising independent judgement to items where there is a potential for conflict of interest
- v) Assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of focus of the Company
- vi) Encouraging training of the Directors on a continuous basis to ensure that the Board Members are kept updated
- vii) Exercising objective and independent judgement on corporate affairs
- viii) Facilitating the Independent Directors to perform their roles effectively as the Board Members and also as the members of Committees
- ix) Meeting the expectations of operational transparency of the stakeholders while maintaining confidentiality of information in order to foster a culture of good decision-making

2.2. Appointment and tenure

2|3rd of the Directors (other than the Independent Directors) are rotational Directors. 1|3rd of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment.

The Whole-time Directors are appointed by the members for a period up to five years. The contracts with Whole-time Directors provide notice period of six months and severance pay as per the provisions of the Companies Act, 2013.

2.3. Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At present, it consists of 11 members comprising seven Non-executive Directors (including six Independent) and four Executive Directors (including two promoters). The Independent Directors account for 55% of the strength of the Board, as against minimum requirement of 50% as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) and 33.33% as per the Companies Act, 2013.

The Independent Directors fulfil the conditions specified in the Regulations and are independent of the Management. The Board has identified certain skills | expertise | competence as required to be possessed by the Board of Directors to ensure effective functioning of the business(es) and sectors of the Company. The mapping of these skills | expertise | competence among the Directors is as given here:

Skills expertise competence	Name of Directors
Commercial	S S Lalbhai, S A Lalbhai, B N Mohanan
Finance	B S Mehta, V S Rangan, M M Chitale, S A Panse, T R Gopi Kannan
Sales and marketing	S M Datta, B R Arora, S S Lalbhai
Science and technology	S M Datta, B R Arora, B N Mohanan
Domain industry	B R Arora, S S Lalbhai
General management	S M Datta, S A Panse, B R Arora, S S Lalbhai
Legal, including laws related to corporate governance	R A Shah, B S Mehta, V S Rangan, M M Chitale, T R Gopi Kannan

The Non-executive Directors are eminent professionals drawn from the above areas. Relevant details about the Board Members are as under:

No.	Name	Directorship(s) in other company(ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
	Chairman and Managing Director			
01.	S S Lalbhai	6	2	3
	Managing Director			
02.	S A Lalbhai	2	-	-
	Whole-time Directors			
03.	B N Mohanan	9	-	-
04.	T R Gopi Kannan	8	4	-
	Non-executive Directors			
05.	R A Shah	2	2	-
06.	B S Mehta	1	-	2
07.	S M Datta	6	2	2
08.	V S Rangan	7	5	-
09.	M M Chitale	5	4	2
10.	S A Panse	2	2	1
11.	B R Arora	-	1	1

¹Excludes Directorships in foreign companies and private limited companies

²In compliance with Regulation 27 of the Regulations, Memberships | Chairmanships of only the Audit Committees and the Stakeholders Relationship Committees of all public limited companies, including the Company were considered

Mr S S Lalbhai and Mr S A Lalbhai are promoter Directors.

Except Mr R A Shah, all other Non-executive Directors are Independent.

The details of the Directors with respect to directorships in other listed entities along with their respective categories are as under:

No.	Name	Brief résumé	Name of other listed entities in which the Director is a director and Category
01.	S S Lalbhai	<p>Mr S S Lalbhai is a Managing Director since June 1984 and the Chairman of the Board of the Company since August 2007.</p> <p>Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.</p>	<p>Amal Ltd Non-executive Director</p> <p>Navin Fluorine International Ltd Independent Director</p> <p>Pfizer Ltd Independent Director</p> <p>The Bombay Dyeing and Manufacturing Company Ltd Independent Director</p>
02.	S A Lalbhai	<p>Mr S A Lalbhai is a Director of the Company since January 2000 and a Managing Director of the Company since December 2000.</p> <p>Mr Lalbhai holds a graduate degree in Commerce from Gujarat University.</p>	<p>Bengal Tea and Fabrics Ltd Non-executive Director</p> <p>The Anup Engineering Ltd Non-executive Director</p>
03.	B N Mohanan	<p>Mr B N Mohanan joined the Company in August 1992 and is a Whole-time Director since January 2009. He is currently the President, Utilities and Services and the Occupier of the Company.</p> <p>Mr Mohanan holds a graduate degree in Engineering (Honours) from the University of Calicut.</p>	-
04.	T R Gopi Kannan	<p>Mr T R Gopi Kannan joined the Company in October 1993 and is a Whole-time Director since October 2014. He is currently the Chief Financial Officer of the Company.</p> <p>Mr Gopi Kannan holds a graduate degree in Science from the University of Madras and a postgraduate diploma in management from the Indian Institute of Management Ahmedabad. He is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India.</p>	Amal Ltd Non-executive Director
05.	R A Shah	<p>Mr R A Shah is a Director of the Company since May 1983. He is a Senior Partner of Crawford Bayley & Co, a firm of Solicitors and Advocates.</p> <p>Mr Shah holds a graduate degree in Law from the University of Mumbai and has passed the Solicitor exam from the Honourable High Court at Mumbai.</p>	<p>BASF India Ltd Independent Director</p> <p>Godfrey Phillips India Ltd Non-executive Director</p>
06.	B S Mehta	<p>Mr B S Mehta is a Director of the Company since April 1992. He is the Chief Mentor in Bansi S Mehta & Co since 2009.</p> <p>Mr Mehta holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.</p>	Pidilite Industries Ltd Independent Director

No.	Name	Brief résumé	Name of other listed entities in which the Director is a director and Category
07.	S M Datta	<p>Mr S M Datta is a Director of the Company since October 2002. He was the Chairman of Hindustan Unilever Ltd as well as of all Unilever Group companies in India and Nepal from 1990 to 1996.</p> <p>Mr Datta holds a postgraduate degree in Science and Technology from the University of Calcutta and is a Chartered Engineer.</p>	IL&FS Investment Managers Ltd Independent Director
08.	V S Rangan	<p>Mr V S Rangan is a Director of the Company since July 2010. He is an Executive Director of Housing Development Finance Corporation Ltd.</p> <p>Mr Rangan holds a graduate degree in Commerce from the University of Delhi and is an Associate Member of the Institute of Chartered Accountants of India and the Institute of Cost and Management Accountants of India.</p>	<p>Computer Age Management Services Ltd Non-executive Director</p> <p>Housing Development Finance Corporation Ltd Executive Director</p>
09.	M M Chitale	<p>Mr M M Chitale is a Director of the Company since October 2014. He is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co.</p> <p>Mr Chitale holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.</p>	<p>Bhageria Industries Ltd Independent Director</p> <p>Larsen & Toubro Ltd Independent Director</p> <p>Macrotech Developers Ltd Independent Director</p>
10.	S A Panse	<p>Ms S A Panse is a Director of the Board since March 2015. She was the Chairperson and Managing Director of Allahabad Bank Ltd.</p> <p>Ms Panse holds a postgraduate degree in Science from Pune University and a postgraduate degree in Business Administration from Drexel University and is a certified Associate of the Indian Institute of Bankers.</p>	<p>Can Fin Homes Ltd Independent Director</p> <p>Sudarshan Chemical Industries Independent Director</p>
11.	B R Arora	<p>Mr B R Arora is a Director of the Board since April 2015. He was the Chairman, Cyanamid Agro Ltd, Managing Director, Cyanamid India Ltd, Chairman and Managing Director, Wyeth Lederle Ltd, Regional President - Asia, Pfizer Nutrition, Regional President - Asia and Pacific RIM, Nestle S A, Chairman, PT Wyeth Nutrition Indonesia and Board Member, Wyeth Philippines Inc.</p> <p>Mr Arora holds a graduate degree in Mechanical Engineering from the University of Punjab.</p>	-

2.4. Board meetings

The Board meeting dates were normally determined well in advance. During 2021-22, the Board met five times.

No.	Day	Date	Venue*
1.	Friday	April 30, 2021	Atul
2.	Friday	July 23, 2021	Atul
3.	Friday	October 29, 2021	Atul
4.	Friday	January 28, 2022	Atul
5.	Friday	March 25, 2022	Atul

*All the meetings were held through video conferencing.

2.5. Attendance at the Board meetings and the AGM

No.	Name	Board meetings		AGM on July 31, 2021
		Total	Attended	
01.	S S Lalbhai	5	5	Present
02.	R A Shah	5	5	Present
03.	B S Mehta	5	5	-
04.	S A Lalbhai	5	5	Present
05.	S M Datta	5	4	Present
06.	B N Mohanan	5	5	Present
07.	V S Rangan	5	5	Present
08.	M M Chitale	5	5	Present
09.	T R Gopi Kannan	5	5	Present
10.	S A Panse	5	5	Present
11.	BR Arora	5	5	Present

2.6. Appointment | Cessation

2.6.1. Appointed:

i) Mr S A Lalbhai was reappointed as a Managing Director effective December 15, 2021

2.6.2. Ceased: nil

2.6.3. Resigned: nil

2.7. Remuneration

No.	Name	Remuneration during the year (₹)			
		Sitting fees	Salary and perquisites	Commission	Total
	Chairman and Managing Director				
01.	S S Lalbhai	-	5,25,73,272	8,36,46,000	13,62,19,272
	Managing Director				
02.	S A Lalbhai	-	1,29,80,040	1,67,94,300	2,97,74,340
	Whole-time Directors				
03.	B N Mohanan	-	1,84,17,309 ¹	-	1,84,17,309
04.	T R Gopi Kannan	-	2,15,97,410 ²	-	2,15,97,410
	Non-executive Directors				
05.	R A Shah	3,15,000	-	9,75,000	12,90,000
06.	B S Mehta	4,55,000	-	16,00,000	20,55,000
07.	S M Datta	2,80,000	-	12,00,000	14,80,000
08.	V S Rangan	3,50,000	-	14,00,000	17,50,000
09.	M M Chitale	3,15,000	-	15,00,000	18,15,000
10.	S A Panse	2,45,000	-	11,00,000	13,45,000
11.	B R Arora	6,00,000	-	18,00,000	24,00,000

¹Includes variable pay ₹ 35,04,000

²Includes variable pay ₹ 34,87,000

Sitting fees of up to ₹ 35,000 per meeting constitute fees paid to the Non-executive Directors for attending Board, Committee and other meetings.

Commission of up to 1% of the net profit of the Company to the Non-executive Directors was approved by the members of the Company at the AGM held on July 27, 2018, for a period of five years, effective April 01, 2018. The Board approves, within the aforesaid limit as per the Remuneration Policy of the Company, commission payable to each Non-executive Director. The Remuneration policy is disclosed on the website of the Company at www.atul.co.in/investors/policies

3. Committees of the Board

The Board has constituted the following Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders Relationship Committee
- Corporate Social Responsibility Committee
- Investment Committee
- Risk Management Committee

3.1. Audit Committee

3.1.1. Role

i) Approving:

- appointment of the Chief Financial Officer
- transactions with related parties and subsequent modifications thereof

ii) Conducting:

- pre-audit discussions with the Auditors regarding nature and scope of the audit and post-audit discussion to ascertain any areas of concern
- valuation of undertakings or assets, wherever necessary

iii) Formulating:

- scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor
- Code of Conduct and related matters

iv) Reviewing:

- adequacy of the internal audit function, including the structure of Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively
- significant transactions and arrangements entered into by the unlisted subsidiary companies
- the Auditors' independence, performance and effectiveness of the audit process
- periodically with the Auditors the internal control systems, the scope of audit, including the observations of the Auditors and the Financial Statements before submission to the Board
- the annual Financial Statements and Auditor's Report with the Management before submission to the Board for approval with particular reference to:
 - > any change in accounting policies and practices
 - > compliance with accounting standards
 - > compliance with the stock exchanges and legal requirements concerning the Financial Statements
 - > disclosure of any related party transactions
 - > going concern assumption
 - > major accounting entries involving estimates based on exercise of judgement by the Management
 - > matters required to be included in the Directors' Responsibility Statement for the Directors' Report
 - > qualifications in the draft Audit Report
 - > significant adjustments made in the Financial Statements arising out of audit findings

- with the Internal Auditors any significant findings and follow-up thereon, including findings of any internal investigations into matters where there is suspected fraud or irregularity or failure of the internal control systems of material nature and reporting such matters to the Board
 - financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient
 - compliance reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically
 - reasons for substantial defaults, if any, in the payment to the depositors, the debenture holders, the members (in case of non-payment of declared dividends) and creditors
 - the Financial Statements, in particular, investments made by unlisted subsidiary companies
 - the functioning of whistleblowing mechanism
 - the following information mandatorily:
 - > appointment, removal and terms of remuneration of the Chief Internal Auditor
 - > Internal Audit Reports relating to weaknesses in the internal control systems
 - > Management Discussion and Analysis of financial condition and results of operations
 - > management letters | letters of internal control weaknesses issued by the Statutory Auditors
 - > statement of related party transactions submitted by the Management
 - with the Management the statement of uses | applications of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for the purposes other than those stated
 - utilisation of loans | advances from the holding company to the subsidiary company or investments by the holding company in the subsidiary company exceeding ₹ 100 cr or 10% of the asset size of the subsidiary company, whichever is lower
- v) Others:
- Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation, etc on the Company and the shareholders
 - Evaluating internal financial controls and risk management system
 - Recommending appointment, remuneration and terms of appointment of the Auditors and approval for payment for any other services
 - Scrutinising inter-corporate loans and investments
 - Carrying out any other function as mentioned in the terms of reference of the Audit Committee

3.1.2. Composition

The Committee comprises the following members, all having relevant experience in financial matters:

No.	Name	Designation
1.	B S Mehta	Chairman
2.	V S Rangan	Member
3.	B R Arora	Member
4.	M M Chitale	Member

3.1.3. Meetings and attendance

During 2021-22, four meetings were held.

No.	Name	Total	Attended
1.	B S Mehta	4	4
2.	V S Rangan	4	4
3.	B R Arora	4	4
4.	M M Chitale	4	4

The Statutory Auditors, the Cost Auditors, the Chairman and Managing Director, the Whole-time Director and Chief Financial Officer (CFO), the Company Secretary, and the heads of Finance, Accounts, Costing and Internal Audit are permanent invitees to the meetings. The Board notes the minutes of the Audit Committee meetings.

3.2 Nomination and Remuneration Committee

3.2.1. Role

- i) Devising a policy on the Board diversity
- ii) Evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an Independent Director
- iii) Formulating criteria for evaluation of the Independent Directors and the Board
- iv) Formulating criteria for determining qualifications, traits and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees
- v) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of performance of every Director
- vi) Recommending | Determining remuneration of the Executive Directors | Senior Management Personnel as per the policy

3.2.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	M M Chitale	Chairman
2.	R A Shah	Member
3.	B R Arora	Member

3.2.3. Meetings and attendance

During 2021-22, one meeting was held.

No.	Name	Total	Attended
1.	M M Chitale	1	1
2.	R A Shah	1	1
3.	B R Arora	1	1

The Board notes the minutes of the Nomination and Remuneration Committee meetings.

3.3 Stakeholders Relationship Committee

3.3.1. Role

- i) Considering and resolving grievances (including complaints related to non-receipt of annual report, non-receipt of declared dividends and transfer of shares) of security holders (including the shareholders, debenture holders and other security holders)
- ii) Resolving the grievances of the security holders related to general meetings, issue of new | duplicate certificates, non-receipt of annual report, non-receipt of declared dividends and transfer | transmission of shares, etc
- iii) Reviewing any other related matter, which the Committee may deem fit in the circumstances of the case, including the following:
 - Adherence to the service standards in respect to various services being rendered by the Registrar and Share Transfer Agent
 - Change of name(s) of the members on share certificates
 - Consolidation of share certificates
 - Deletion of name(s) of guardian(s)
 - Deletion of name(s) from share certificates

- Dematerialisation of shares
- Issue of duplicate share certificates
- Measures taken for effective exercise of voting rights by the shareholder(s)
- Measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants | annual reports | statutory notices by the shareholder(s) of the Company
- Rematerialisation of shares
- Replacement of shares
- Splitting-up of shares
- Transfer of shares
- Transmission of shares
- Transposition of names

3.3.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	B R Arora	Chairman
2.	S S Lalbhai	Member
3.	T R Gopi Kannan	Member

Mr L P Patni, Company Secretary, is the Chief Compliance Officer.

3.3.3. Meetings and attendance

During 2021-22, four meetings were held.

No.	Name	Total	Attended
1.	B R Arora	4	4
2.	S S Lalbhai	4	4
3.	T R Gopi Kannan	4	4

During 2021-22, nine complaints were received from the investors. All the grievances were solved to the satisfaction of the investors.

No.	Nature of complaint	Received	Redressed
1.	Non-receipt of dividend warrant	1	1
2.	Non-receipt of share certificates	1	1
3.	Non-receipt of duplicate share certificates	3	3
4.	Others	4	4
	Total	9	9

The Board notes the minutes of the Stakeholders Relationship Committee meetings.

3.4. Corporate Social Responsibility Committee

3.4.1. Role

- i) Formulating and recommending the Corporate Social Responsibility (CSR) Policy to the Board
- ii) Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profit in a given year
- iii) Monitoring the CSR Policy from time to time
- iv) Recommending the amount of expenditure to be incurred on the CSR activities, which may not be less than 2% of the average net profit of the last three years
- v) Formulating and recommending to the Board the annual action plan, which must include:
 - a) the list of CSR projects or programs that are to be undertaken
 - b) the manner of execution

- c) the modalities of utilisation of funds and implementation schedules
- d) monitoring and reporting mechanism
- e) details of need and impact assessment

3.4.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	S A Panse	Chairperson
2.	S S Lalbhai	Member
3.	B N Mohanan	Member

3.4.3. Meetings and attendance

During 2021-22, one meeting was held.

No.	Name	Total	Attended
1.	S A Panse	1	1
2.	S S Lalbhai	1	1
3.	B N Mohanan	1	1

The Board notes the minutes of the CSR Committee meetings.

3.5. Investment Committee

3.5.1. Role

- i) Approving capital expenditure proposals exceeding ₹ 5 cr, but not exceeding ₹ 25 cr each
- ii) Recommending to the Board for approval of capital expenditure proposals exceeding ₹ 25 cr each
- iii) Recommending to the Board acquisition, disinvestment and divestment proposals
- iv) Reviewing business strategies
- v) Reviewing progress of the approved projects

3.5.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	R A Shah	Chairman
2.	B S Mehta	Member
3.	S M Datta	Member
4.	S S Lalbhai	Member
5.	B R Arora	Member

3.5.3. Meetings and attendance

During 2021-22, three meetings were held.

No.	Name	Total	Attended
1.	R A Shah	3	3
2.	B S Mehta	3	3
3.	S M Datta	3	3
4.	S S Lalbhai	3	3
5.	B R Arora	3	3

The Board notes the minutes of the Investment Committee meetings.

3.6. Risk Management Committee

3.6.1. Role

- i) Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities
- ii) Formulate a detailed risk management policy
- iii) Monitor and review risk management plan (including plan for cyber security)
- iv) Monitor and review the process and progress of:
 - risk identification and definition
 - risk classification
 - risk assessment and prioritisation
 - risk mitigation
 - risk tracking | reporting mechanism
- v) Review periodically and suggest changes in the Risk Management Policy to the Board

3.6.2. Composition

The Committee comprises the following members:

No.	Name	Designation
1.	S S Lalbhai	Chairman
2.	B N Mohanan	Member
3.	T R Gopi Kannan	Member
4.	B R Arora	Member

3.6.3. Meetings and attendance

During 2021-22, two meetings were held.

No.	Name	Total	Attended
1.	S S Lalbhai	2	2
2.	B N Mohanan	2	2
3.	T R Gopi Kannan	2	2
4.	B R Arora	2	2

The Company Secretary and the Chief Assurance Officer and the Chief Risk Officer are permanent invitees to the meetings. The Board notes the minutes of the Risk Management Committee meeting.

4. Subsidiary companies registered in India

As on March 31, 2022, the Company had 21 non-material Indian subsidiary companies:

- a) 13 wholly-owned – Aaranyak Urmi Ltd, Aasthan Dates Ltd, Anchor Adhesives Pvt Ltd, Atul Bioscience Ltd, Atul Biospace Ltd, Atul Fin Resources Ltd, Atul Finserv Ltd, Atul Infotech Pvt Ltd, Atul Nivesh Ltd, Atul Products Ltd, Biyaban Agri Ltd, Osia Infrastructure Ltd and Raja Dates Ltd
- b) seven others – Atul Healthcare Ltd, Atul Lifescience Ltd, Atul Natural Dyes Ltd, Atul Natural Foods Ltd, Atul Paints Ltd, Atul Renewable Energy Ltd and Sehat Foods Ltd
- c) one joint venture – Atul Rajasthan Date Palms Ltd

The Financial Statements of the above companies were reviewed by the Audit Committee. The minutes of the meetings of all the subsidiary companies were placed before the Board.

5. Company policies

5.1. Compliance

Compliance certificates confirming due compliance with statutory requirements are placed at the Board meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and subsequently rectified.

5.2. Code of Conduct

The Code of Conduct is available on the website of the Company at www.atul.co.in/investors/policies. All the Directors and the Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Chairman and Managing Director forms a part of this report.

5.3. Prevention of sexual harassment of women at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. The status of complaints during 2021-22 is as under:

Filed during 2021-22	Nil
Disposed of during 2021-22	Nil
Pending as at the end of 2021-22	Nil

5.4. Related party transactions

The Company has formulated a Related Party Transactions Policy and the same is disclosed on the website of the Company at www.atul.co.in/investors/policies.

5.5. 'Material' subsidiary companies

The Company has formulated a policy for determining 'material' subsidiary companies and the same is disclosed on the website of the Company at www.atul.co.in/investors/policies.

5.6. Familiarisation programs

The details of familiarisation programs imparted to Independent Directors are disclosed on the website of the Company at www.atul.co.in/about/directors/.

5.7. Whistleblowing Policy

The Company has formulated a vigil mechanism (Whistleblowing Policy) and is displayed on the website of the Company at www.atul.co.in/investors/policies.

5.8. Commodity price risk or foreign exchange risk and hedging activities

i) Risk management policy on commodities, including through hedging

The Company has in place a Risk Management Policy and mechanism to assess risks, periodically review it and steps are taken to mitigate the risks. The Company uses certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing products of the Company. Hedging products are not available for the major chemicals purchased by the Company. However, for minimising procurement risk for short duration, the Company enters into annual purchase contracts for key raw materials linked to input costs | published benchmark prices.

ii) Exposure of the Company to commodity and commodity risks faced throughout the year: not applicable

iii) Foreign exchange risks are tracked and managed within the risk management framework. Short-term foreign currency asset - liability mismatch is continuously monitored and hedged. The foreign exchange market is highly regulated and the Company ensures compliance with all the regulations.

5.9. Credit ratings

Credit Analysis and Research Ltd maintained its credit rating at 'AA+' and stable outlook for long-term borrowings and 'A1+' for short-term borrowings.

6. Affirmation and disclosure

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2021-22 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board. The interested Directors neither participate in the discussion nor vote on such matters.

The Company complied with the statutory provisions, rules and regulations relating to the capital markets during the last three years and the stock exchanges or the Securities and Exchange Board of India or any statutory authority did not impose any penalties or strictures on the Company for the said period.

7. Shareholders' information

7.1. General Body meetings

7.1.1. Location and time where the last three AGMs were held:

Year	Location	Date	Time
2018-19	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 31, 2019	10:30 am
2019-20	Through video conferencing at deemed venue: Atul House G I Patel Marg Ahmedabad 380 014, Gujarat, India	July 31, 2020	10:30 am
2020-21	Through video conferencing at deemed venue: Atul House G I Patel Marg Ahmedabad 380 014, Gujarat, India	July 30, 2021	10:30 am

7.1.2. Special resolutions passed in the previous three AGMs: yes

7.1.3. Resolutions passed through postal ballot: nil

7.2. Annual General Meeting 2022

Details of the 45th AGM are as under:

Year	Location	Date	Time
2021-22	Through video conferencing at deemed venue: Atul House G I Patel Marg Ahmedabad 380 014, Gujarat, India	July 29, 2022	10:30 am

As required under Regulation 36(3) of the Regulations, particulars of the Directors seeking reappointment | appointment are given in the Notice of the AGM.

7.3. Financial year

April 01 to March 31

7.4. Date of book closure

July 16, 2022 to July 22, 2022

7.5. Date of dividend payment

August 03, 2022

7.6. Listing on the stock exchanges

Equity shares of the Company are listed on the BSE Ltd (BSE) and the National Stock Exchange of India Ltd (NSE). The Company has paid listing fees for 2021-22 to the stock exchanges where securities are listed. Pursuant to a circular of the Securities and Exchange Board of India, custody charges were also paid to the Depositories, namely National Securities Depository Ltd and Central Depository Services (India) Ltd. The International Securities Identification Number of the equity shares of the Company is INE100A01010. The corporate identity number is L99999GJ1975PLC002859.

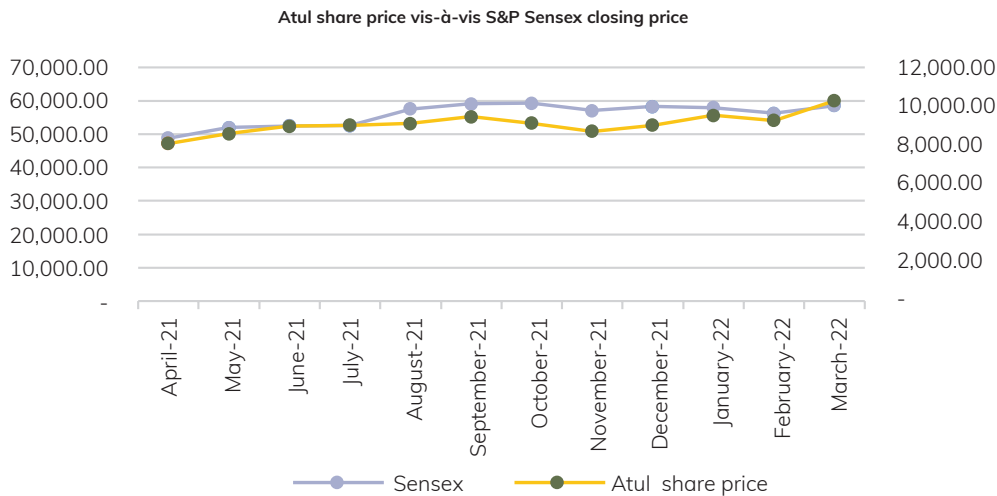
7.7. Stock code

BSE: 500027 and NSE: ATUL

7.8. Share price data and comparison with the BSE Sensex

The monthly high and low share prices of the Company in comparison with the BSE Sensex during 2021-22 are as under:

Month	Share price of the Company on BSE		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹
April 2021	8,601.00	7,062.00	50,375.77	47,204.50
May 2021	8,752.00	7,980.25	52,013.22	48,028.07
June 2021	9,131.65	8,469.15	53,126.73	51,450.58
July 2021	9,651.00	8,875.80	53,290.81	51,802.73
August 2021	9,400.00	8,765.00	57,625.26	52,804.08
September 2021	9,998.00	9,003.50	60,412.32	57,263.90
October 2021	10,975.40	8,869.80	62,245.43	58,551.14
November 2021	9,292.00	8,166.30	61,036.56	56,382.93
December 2021	9,121.75	8,302.30	59,203.37	55,132.68
January 2022	10,859.00	8,966.80	61,475.15	56,409.63
February 2022	9,852.10	8,627.90	59,618.51	54,383.20
March 2022	10,711.00	8,224.05	58,890.92	52,260.82



7.9. Registrar and transfer agent

Link Intime India Pvt Ltd

506-508, Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, Telephone: (+91 79) 26465179 | 86 | 87.

7.10. Share transfer system

Securities lodged for transfer at the office of the Registrar are processed within 15 days from the date of lodgement, if the documents are clear in all respect. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 15 days or the additional time allowed by the SEBI, as the case may be.

Pursuant to Regulation 40(9) of the Regulations, certificates on a yearly basis were issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, certificates were also received from the Company Secretary in practice for timely dematerialisation of the shares and for conducting the Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. All the certificates were filed with the stock exchanges where the shares of the Company are listed.

7.11. Distribution of shareholding as on March 31, 2022

7.11.1. Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of total	Numbers	% of total
1 - 10	37,788	56.91%	1,42,769	0.48%
11 - 50	17,471	26.32%	4,37,732	1.48%
51 - 100	4,438	6.68%	3,51,498	1.19%
101 - 500	5,010	7.55%	11,41,273	3.86%
501 - 1,000	823	1.24%	5,97,470	2.02%
1,001 - 2,000	362	0.55%	5,10,528	1.73%
2,001 - 3,000	121	0.18%	2,99,265	1.01%
3,001 - 4,000	71	0.11%	2,52,798	0.85%
4,001 - 5,000	52	0.08%	2,37,799	0.80%
5,001 - 10,000	95	0.14%	6,94,687	2.35%
10,001 and above	159	0.24%	2,49,21,232	84.23%
Total	66,390	100%	2,95,87,051	100%

7.11.2. Category-wise:

Category	Shares (numbers)	Shareholding (%)
Promoter group	1,32,96,218	44.94%
Indian public	62,02,109	20.96%
Mutual funds	49,35,967	16.68%
Foreign institutional investors	27,27,158	9.22%
Insurance companies	17,17,749	5.81%
Bodies corporate	5,21,984	1.76%
Non-resident Indians other body corporates	1,69,898	0.57%
Banks	15,632	0.05%
State government	336	0.01%
Total	2,95,87,051	100%

7.12. Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the members as on March 31, 2022, as follows: 98.72% in an electronic form and 1.28% in the physical form.

7.13. Outstanding American Depository Receipts | Global Depository Receipts | warrants or any convertible instruments, conversion date and their likely impact on equity

Paid-up share capital of the Company comprises equity shares. It does not have any preference shares, outstanding American Depository Receipts, Global Depository Receipts, warrants or any convertible instruments.

7.14. Equity shares held by the Non-executive Directors

No.	Name	Shares
1.	R A Shah	14,960
2.	B S Mehta	162
3.	S M Datta	10,000
4.	V S Rangan	5,000
5.	M M Chitale	50
6.	S A Panse	50
7.	BR Arora	100

7.15. Location of plants

- i) Atul 396 020, Gujarat, India

- ii) GIDC, Ankleshwar 393 002, Gujarat, India
- iii) GIDC, Kharod 394 115, Gujarat, India
- iv) MIDC, Tarapur 401 506, Maharashtra, India

7.16. Address for correspondence

Secretarial and Legal department, Atul Ltd, Atul 396 020, Gujarat, India
E-mail address: sec@atul.co.in

7.17. E-mail address of grievance redressal office

shareholders@atul.co.in

7.18. Nomination facility

A member can nominate a person who will have rights to shares and | or amount payable in respect of shares registered in his | her name in the event of his | her death. This facility is available to the members and the nomination form can be downloaded from <https://www.atul.co.in/investors/contact>

7.19. Communication

Report presentation sent to each household of the members	Quarterly, half-yearly and annual investors' presentation were sent to the members through e-mail.
Results	Quarterly, half-yearly and annual results of the Company were sent to the stock exchanges immediately after approval by the Board and published in The Economic Times (English) Ahmedabad and Mumbai editions and The Economic Times (Gujarati) Ahmedabad edition. The results were published in accordance with the guidelines of the stock exchanges.
Websites where displayed	On the website of the Company: www.atul.co.in On the website of the stock exchanges: 1. www.bseindia.com 2. www.nseindia.com
Official news releases	Official news releases as and when issued are placed on the website of the Company.
Presentations made to the institutional investors or to analysts	No presentation was made to analysts during 2021-22 due to the COVID-19 pandemic. However, financial results along with investors' presentation was circulated to the members through e-mail.
Management Discussion and Analysis	Management Discussion and Analysis is a part of the annual report.

7.20. Tentative Board meeting dates for consideration of results for 2022-23

No.	Particulars	Dates
1.	First quarter results	July 22, 2022
2.	Second quarter and half-yearly results	October 21, 2022
3.	Third quarter results	January 20, 2023
4.	Fourth quarter and annual results	April 28, 2023

8. Details of compliance with the mandatory requirements and extent of compliance with non-mandatory requirements

8.1. Compliance with the mandatory requirements

The Company complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Regulations.

8.2. Extent of compliance with the non-mandatory requirements

The Company complies with the following non-mandatory requirements:

- i) Reporting of the Internal Auditor to the Audit Committee
- ii) Unqualified Financial Statements

9. Payment to Statutory Auditors

During 2021-22, ₹ 0.78 cr was paid by the Company and its subsidiary companies to the Statutory Auditors | entities in network firm | network entity of which the Statutory Auditors are a member.

10. Evaluation by the Independent Directors

The Independent Directors at their meeting held on March 25, 2022, carried out annual evaluation in accordance with the Regulation 25(4) of the Regulations.

11. Role of the Company Secretary in overall governance process

The Directors have access to the suggestions and services of the Company Secretary | Legal department in ensuring an effective functioning of the Board and its Committees. The Company Secretary administers, attends and prepares minutes of the Board and the Committee proceedings in accordance with the statutory requirements as well as the norms of Corporate Governance.

12. Certification by the Chief Executive Officer and the Chief Financial Officer

Mr S S Lalbhai, Chairman and Managing Director and Mr T R Gopi Kannan, Whole-time Director and CFO, issued a certificate to the Board as prescribed under Regulation 17(8) of the Regulations.

The said certificate was placed before the Board at the meeting held on April 26, 2022, in which the accounts for the year ended March 31, 2022, were considered and approved by the Board.

13. Certification by the Practicing Company Secretary

Certificate from RPAP & Co, Practicing Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Regulations, forms a part of the annual report.

14. Declaration by the Chairman and Managing Director

In accordance with Schedule V of the Regulations with the stock exchanges, all the Directors and Senior Management Personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board.

Mumbai
April 26, 2022

For Atul Ltd
(S S Lalbhai)
Chairman and Managing Director
DIN: 00045590



Certificate regarding compliance of conditions of Corporate Governance

To the members of Atul Ltd

We have examined the compliance of conditions of Corporate Governance by Atul Ltd for the year ended March 31, 2022, as stipulated in Regulations 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and Clause (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination and verification of records 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.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, the Ministry of Corporate Affairs or any other statutory authority.

We state that such compliance is neither an assurance to the future viability nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For RPAP & Co.
Company Secretaries

(Rajesh Parekh)

Partner

Membership number: A8073

Certificate of practice number: 2939

UDIN: A008073D000206975

Peer review certificate number: 1305/2021

Ahmedabad
April 26, 2022