

One must take a position
that is neither safe, nor politic, nor popular,
but he must take it because
his conscience tells him it is right.

~ Martin Luther King



1. Philosophy

Transparency and accountability are the 2 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, if material
- 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) 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 up-to-date
- vii) Exercising objective and independent judgement on corporate affairs
- viii) Facilitating the Independent Directors to perform their role 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 5 years. The contracts with Whole-time Directors provide notice period of 6 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 this time, it consists of 13 Members comprising 9 Non-executive Directors (7 Independent and 2 Non-independent), 4 Executive Directors (including 2 promoters). The Independent Directors account for 54% 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 and 33.33% as per the Companies Act, 2013. The Non-executive Directors are eminent professionals, drawn from amongst persons with skill, experience and knowledge in one or more fields of finance, law, management or any other discipline related to the business of the Company.

| 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 | 5 | 3 | – |
| Managing Director | | | | |
| 02. | S A Lalbhai | 3 | – | – |
| Whole-time Directors | | | | |
| 03. | B N Mohanan | 8 | – | – |
| 04. | T R Gopi Kannan | 8 | 4 | – |

| 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 |
|--------------------------------|-------------|---|--|--|
| Non-executive Directors | | | | |
| 05. | R A Shah | 9 | 4 | 4 |
| 06. | S S Bajjal | 1 | – | 2 |
| 07. | B S Mehta | 7 | 5 | 3 |
| 08. | H S Shah | – | – | 1 |
| 09. | S M Datta | 8 | 4 | 2 |
| 10. | V S Rangan | 8 | 8 | – |
| 11. | M M Chitale | 9 | 4 | 5 |
| 12. | S A Panse | 9 | 5 | – |
| 13. | B R Arora | 2 | 5 | – |

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

Except Mr B S Mehta and Mr R A Shah, all other Non-executive Directors are Independent.

¹ Excludes Directorships in foreign companies and private limited companies

² In compliance with Regulation 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships | Chairmanships of only the Audit Committees and the Stakeholders Relationship Committees of all public limited companies including the Company were considered

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2017-18, the Board met 5 times.

| No. | Day | Date | Venue |
|-----|---------|------------------|--------|
| 01. | Friday | May 05, 2017 | Mumbai |
| 02. | Friday | July 21, 2017 | Mumbai |
| 03. | Tuesday | October 17, 2017 | Mumbai |
| 04. | Friday | January 19, 2018 | Mumbai |
| 05. | Friday | March 23, 2018 | Mumbai |

2.5 Attendance at the Board meetings and the AGM

| No. | Name | Board Meetings | | AGM on July 28, 2017 |
|-----|-----------------|----------------|----------|----------------------|
| | | Total | Attended | |
| 01. | S S Lalbhai | 5 | 5 | Present |
| 02. | R A Shah | 5 | 5 | – |
| 03. | S S Bajjal | 5 | 4 | Present |
| 04. | B S Mehta | 5 | 5 | – |
| 05. | H S Shah | 5 | 3 | – |
| 06. | S A Lalbhai | 5 | 5 | Present |
| 07. | S M Datta | 5 | 5 | – |
| 08. | B N Mohanan | 5 | 5 | Present |
| 09. | V S Rangan | 5 | 3 | Present |
| 10. | M M Chitale | 5 | 5 | – |
| 11. | T R Gopi Kannan | 5 | 5 | Present |
| 12. | S A Panse | 5 | 5 | Present |
| 13. | B R Arora | 5 | 5 | Present |

2.6 Appointment | Cessation

- » Appointed: nil
- » Ceased: nil
- » Resigned: nil

2.7 Remuneration

| No. | Name | Remuneration during the year (₹) | | | Total |
|---------------------------------------|-----------------|----------------------------------|------------------------|-------------|-------------|
| | | Sitting fees | Salary and perquisites | Commission | |
| Chairman and Managing Director | | | | | |
| 01. | S S Lalbhai | – | 2,87,06,933 | 4,17,10,000 | 7,04,16,933 |
| Managing Director | | | | | |
| 02. | S A Lalbhai | – | 95,35,077 | 1,30,64,250 | 2,25,99,327 |
| Whole-time Directors | | | | | |
| 03. | B N Mohanan | – | 1,11,43,925 | – | 1,11,43,925 |
| 04. | T R Gopi Kannan | – | 1,39,06,933 | – | 1,39,06,933 |
| Non-executive Directors | | | | | |
| 05. | R A Shah | 2,80,000 | – | 7,80,000 | 10,60,000 |
| 06. | S S Bajjal | 4,20,000 | – | 13,60,000 | 17,80,000 |
| 07. | B S Mehta | 4,20,000 | – | 9,60,000 | 13,80,000 |
| 08. | H S Shah | 1,50,000 | – | 4,80,000 | 6,30,000 |
| 09. | S M Datta | 3,15,000 | – | 9,60,000 | 12,75,000 |
| 10. | V S Rangan | 2,80,000 | – | 8,71,000 | 11,51,000 |
| 11. | M M Chitale | 1,40,000 | – | 8,00,000 | 9,40,000 |
| 12. | S A Panse | 2,10,000 | – | 8,00,000 | 10,10,000 |
| 13. | B R Arora | 2,10,000 | – | 8,00,000 | 10,10,000 |

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 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 26, 2013 for a period of 5 years, effective April 01, 2013. The Board approves, within the aforesaid limit, commission payable to each Non-executive Director.

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

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
 - » 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 Auditors' Report with the Management before submission to the Board for approval with particular reference to:
 - any changes 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
 - » functioning of Whistle-blowing mechanism
 - » 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
- v) Others:
 - » Determining procedures for risk assessment and minimisation, and reviewing them periodically to ensure that the Executive Management controls risks through means of a properly defined framework
 - » 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 |
|-----|------------------------|-------------|
| 01. | S S Baijal | Chairman |
| 02. | B S Mehta | Member |
| 03. | V S Rangan | Member |
| 04. | B R Arora ¹ | Member |

¹ Effective January 19, 2018

3.1.3 Meetings and attendance

During 2017-18, 4 meetings were held.

| No. | Name | Total | Attended |
|-----|------------------------|-------|----------|
| 01. | S S Baijal | 4 | 4 |
| 02. | B S Mehta | 4 | 4 |
| 03. | V S Rangan | 4 | 4 |
| 04. | B R Arora ¹ | – | – |

¹ Effective January 19, 2018

The Statutory Auditors, the Cost Auditors, the Chairman and Managing Director, the Whole-time Director and CFO, the Company Secretary, 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) Formulating criteria for evaluation of the Independent Directors and the Board
- iii) 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
- iv) 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
- v) Recommending | Determining remuneration of the Executive Directors as per the Policy

3.2.2 Composition

The Committee comprises following Members:

| No. | Name | Designation |
|-----|--------------------------|-------------|
| 01. | H S Shah | Chairman |
| 02. | S S Baijal | Member |
| 03. | R A Shah | Member |
| 04. | M M Chitale ¹ | Member |

¹ Effective January 19, 2018

3.2.3 Meetings and attendance

During 2017-18, no meeting was held.

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 the Annual Report, non-receipt of declared dividends and transfer of shares) of security holders (including the Shareholders, debenture holders and other security holders)

- ii) Reviewing any other related matter which the Committee may deem fit in the circumstances of the case including the following:
 - » 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
 - » 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 following Members:

| No. | Name | Designation |
|-----|------------------------|-------------|
| 01. | H S Shah | Chairman |
| 02. | S S Lalbhai | Member |
| 03. | T R Gopi Kannan | Member |
| 04. | B R Arora ¹ | Member |

¹ Effective March 23, 2018

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

3.3.3 Meetings and attendance

During 2017-18, 4 meetings were held.

| No. | Name | Total | Attended |
|-----|------------------------|-------|----------|
| 01. | H S Shah | 4 | 2 |
| 02. | S S Lalbhai | 4 | 4 |
| 03. | T R Gopi Kannan | 4 | 4 |
| 04. | B R Arora ¹ | – | – |

¹ Effective March 23, 2018

During 2017-18, 6 complaints were received from the Investors. All the grievances were solved to the satisfaction of the Investors.

| No. | Nature of complaint | Received | Redressed |
|-----|---|----------|-----------|
| 01. | Non-receipt of dividend warrant | – | – |
| 02. | Non-receipt of share certificates | 1 | 1 |
| 03. | Non-receipt of duplicate share certificates | 1 | 1 |
| 04. | Others | 4 | 4 |
| | Total | 6 | 6 |

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 3 years

3.4.2 Composition

The Committee comprises following Members:

| No. | Name | Designation |
|-----|------------------------|-------------|
| 01. | H S Shah | Chairman |
| 02. | S S Lalbhai | Member |
| 03. | B N Mohanan | Member |
| 04. | S A Panse ¹ | Member |

¹ Effective January 19, 2018

3.4.3 Meetings and attendance

During 2017-18, 1 meeting was held.

| No. | Name | Total | Attended |
|-----|------------------------|-------|----------|
| 01. | H S Shah | 1 | – |
| 02. | S S Lalbhai | 1 | 1 |
| 03. | B N Mohanan | 1 | 1 |
| 04. | S A Panse ¹ | – | – |

¹ Effective January 19, 2018

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 following Members:

| No. | Name | Designation |
|-----|-------------|-------------|
| 01. | R A Shah | Chairman |
| 02. | S S Baijal | Member |
| 03. | B S Mehta | Member |
| 04. | S M Datta | Member |
| 05. | S S Lalbhai | Member |

3.5.3 Meetings and attendance

During 2017-18, 3 meetings were held.

| No. | Name | Total | Attended |
|-----|-------------|-------|----------|
| 01. | R A Shah | 3 | 3 |
| 02. | S S Baijal | 3 | 3 |
| 03. | B S Mehta | 3 | 3 |
| 04. | S M Datta | 3 | 3 |
| 05. | S S Lalbhai | 3 | 3 |

The Board notes the Minutes of the Investment Committee meetings.

4. **Subsidiary companies registered in India**

As on March 31, 2018, the Company had 12 non-material Indian unlisted subsidiary companies:

- a) 5 wholly-owned – Anchor Adhesives Pvt Ltd, Atul Bioscience Ltd, Atul Finserv Ltd, Atul Fin Resources Ltd and Atul Nivesh Ltd
- b) 1 joint venture – Atul Rajasthan Date Palms Ltd
- c) 6 others – Aaranyak Urmi Ltd, Aasthan Dates Ltd, Atul Biospace Ltd, Atul Infotech Pvt Ltd, Biyaban Agri Ltd and Raja Dates 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 <https://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 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. During 2017-18, no complaint was received by the Committee set up pursuant to the aforesaid Policy.

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 <https://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 <https://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 <https://www.atul.co.in/investors/policies>

5.7 **Commodity price risk or foreign exchange risk and hedging activities**

The Company does not go for commodity price risk hedging activities as it does not expect significant advantage in medium to long-term horizon. However, for minimising procurement risk for short duration, it enters into annual purchase contracts for key raw materials linked to input costs | published benchmark prices.

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.

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 2017-18 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 and 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 3 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 last 3 AGMs were held:

| Year | Location | Date | Time |
|---------|---|-----------------|----------|
| 2014-15 | H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India | August 04, 2015 | 10:30 am |
| 2015-16 | H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India | July 29, 2016 | 10:30 am |
| 2016-17 | H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India | July 28, 2017 | 10:30 am |

7.1.2 Special Resolutions were passed in the previous 3 AGMs.

7.1.3 Resolutions through postal ballot were not passed.

7.2 Annual General Meeting 2018

Details of the 41st AGM is as under:

| Year | Location | Date | Time |
|---------|---|---------------|----------|
| 2017-18 | H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India | July 27, 2018 | 10:30 am |

As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 14, 2018 to July 20, 2018

7.5 Date of dividend payment

August 01, 2018

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 2018-19 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 2017-18 are as under:

| Month | Share price of the Company on BSE | | BSE Sensex | |
|----------------|-----------------------------------|----------|------------|-----------|
| | High ₹ | Low ₹ | High | Low |
| April 2017 | 2,560.00 | 2,307.00 | 30,184.22 | 29,241.48 |
| May 2017 | 2,588.00 | 2,330.00 | 31,255.28 | 29,804.12 |
| June 2017 | 2,580.00 | 2,367.50 | 31,522.87 | 30,680.66 |
| July 2017 | 2,547.95 | 2,177.00 | 32,672.66 | 31,017.11 |
| August 2017 | 2,250.00 | 1,958.25 | 32,686.48 | 31,128.02 |
| September 2017 | 2,418.90 | 2,134.00 | 32,524.11 | 31,081.83 |
| October 2017 | 2,550.00 | 2,280.00 | 33,340.17 | 31,440.48 |
| November 2017 | 2,635.00 | 2,380.00 | 33,865.95 | 32,683.59 |
| December 2017 | 2,850.00 | 2,470.00 | 34,137.97 | 32,565.16 |
| January 2018 | 3,084.00 | 2,697.60 | 36,443.98 | 33,703.37 |
| February 2018 | 2,792.95 | 2,500.00 | 36,256.83 | 33,482.81 |
| March 2018 | 2,743.10 | 2,524.80 | 34,278.63 | 32,483.84 |

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 respects. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 21 days.

Pursuant to Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on a half-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, 1996, 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.

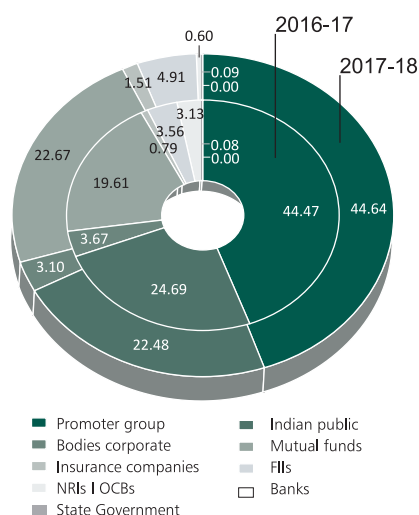
7.11 Distribution of shareholding as on March 31, 2018

7.11.1 Shareholding-wise:

| Holding | Shareholders | | Shares | |
|------------------|---------------|---------------|--------------------|---------------|
| | Numbers | % of total | Numbers | % of total |
| 1 – 10 | 6,077 | 23.77 | 31,366 | 0.11 |
| 11 – 50 | 9,300 | 36.37 | 2,64,699 | 0.89 |
| 51 – 100 | 3,605 | 14.10 | 2,98,207 | 1.01 |
| 101 – 500 | 4,814 | 18.83 | 11,63,969 | 3.92 |
| 501 – 1,000 | 886 | 3.46 | 6,57,606 | 2.22 |
| 1,001 – 2,000 | 384 | 1.50 | 5,48,696 | 1.85 |
| 2,001 – 3,000 | 143 | 0.56 | 3,55,637 | 1.20 |
| 3,001 – 4,000 | 66 | 0.26 | 2,38,283 | 0.80 |
| 4,001 – 5,000 | 41 | 0.16 | 1,90,252 | 0.64 |
| 5,001 – 10,000 | 98 | 0.38 | 7,04,143 | 2.37 |
| 10,001 and above | 157 | 0.61 | 2,52,08,875 | 84.99 |
| Total | 25,571 | 100.00 | 2,96,61,733 | 100.00 |

7.11.2 Category-wise:

| Category | Shares (Numbers) | Shareholding (%) |
|--|--------------------|------------------|
| Promoter group | 1,32,41,101 | 44.64 |
| Indian public | 66,66,512 | 22.48 |
| Bodies corporate | 9,20,471 | 3.10 |
| Mutual funds | 67,25,894 | 22.67 |
| Insurance companies | 4,47,229 | 1.51 |
| Foreign institutional investors | 14,55,284 | 4.91 |
| Non-resident Indians Overseas bodies corporate | 1,78,887 | 0.60 |
| Banks | 26,019 | 0.09 |
| State Government | 336 | 0.00 |
| Total | 2,96,61,733 | 100.00 |



7.12 Details of equity shares in unclaimed suspense account

During the year, the Company had transferred entire 40,390 equity shares lying in unclaimed suspense account to the Investor Education and Protection Fund pursuant to 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.

7.13 Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the Members as on March 31, 2018 as follows: 97.90% in electronic form and 2.10% in physical form.

7.14 Outstanding American Depository Receipts | Global Depository Receipts | warrants or any convertible instruments, conversion date and 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.

7.15 Equity shares held by the Non-executive Directors

| No. | Name | Shares |
|-----|-------------|--------|
| 01. | R A Shah | 14,960 |
| 02. | S S Baijal | 6,000 |
| 03. | B S Mehta | 162 |
| 04. | H S Shah | 1,290 |
| 05. | S M Datta | 10,000 |
| 06. | V S Rangan | 3,000 |
| 07. | M M Chitale | 50 |
| 08. | S A Panse | 50 |
| 09. | B R Arora | 100 |

7.16 Location of plants

- i) Atul 396 020, District Valsad, Gujarat, India
- ii) GIDC, Ankleshwar 393 002, District Bharuch, Gujarat, India
- iii) GIDC, Kharod 394 115, District Bharuch, Gujarat, India
- iv) MIDC, Tarapur 401 506, District Palghar, Maharashtra, India

7.17 Address for correspondence

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

7.18 E-mail address of grievance redressal office

shareholders@atul.co.in

7.19 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 obtained from the Company.

7.20 Communication

| | |
|--|---|
| Half-yearly report sent to each household of the Members | Half-yearly report was not sent to the Members. |
| Quarterly and half-yearly results | Quarterly and half-yearly 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. |
| Website 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 the analysts | Presentation was made to the analysts on May 04, 2018 and a copy thereof was displayed on the website of the Company. |
| Management Discussion and Analysis | Management Discussion and Analysis is part of the Annual Report. |

7.21 Tentative Board meeting dates for consideration of results for 2018-19

| No. | Particulars | Dates |
|-----|--|------------------|
| 01. | First quarter results | July 20, 2018 |
| 02. | Second quarter and half-yearly results | October 26, 2018 |
| 03. | Third quarter results | January 17, 2019 |
| 04. | Fourth quarter and annual results | April 26, 2019 |

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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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. Evaluation by the Independent Directors

The Independent Directors at their meeting held on March 23, 2018 carried out annual evaluation in accordance with the Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

10. 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.

11. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said certificate was placed before the Board at the meeting held on April 27, 2018 in which the accounts for the year ended March 31, 2018 were considered and approved by the Board.

12. Certification by the Practicing Company Secretary

Certificate from Rajesh Parekh & Co., Practicing Company Secretary, regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 forms a part of the Annual Report.

13. Declaration by the Chairman and Managing Director

In accordance with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 27, 2018

For Atul Ltd
(S S Lalbhai)
Chairman and Managing Director

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, 2018, as stipulated in Regulations 17, 18, 19, 20, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub-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 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.

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

Ahmedabad
April 27, 2018

For Rajesh Parekh & Co.
Company Secretary

(Rajesh Parekh)
Proprietor
Membership Number: 8073