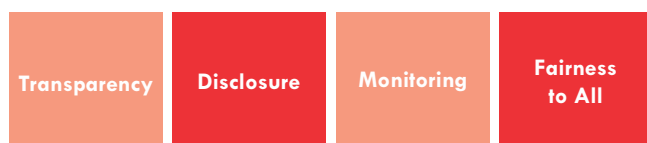


REPORT ON CORPORATE GOVERNANCE

CORPORATE GOVERNANCE PHILOSOPHY

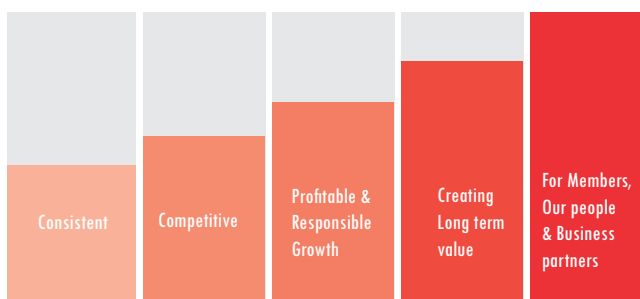
At Atul Auto, Good corporate governance is essential to achieve long term corporate goals and enhance stakeholders' value. The Company firmly takes Corporate Governance as a culture under which an organization is nurtured and flourishes by using its core values and the means by which it fulfills the public trust and confidence. It is not just a compliance with laws, instead it is important business investment which is not only necessary to preserve your Company's reputation but also crucial for obtaining and retaining the business. We believe that Corporate Governance rests upon the four pillars of:



Corporate Governance is the application of best management practices, continued compliances of law and adherence to highest ethical standards to achieve the Company's objective of enhancing shareholder value and its image. Adopting high standards with transparency gives comfort to all existing and potential stakeholders including.



We believe that the success requires highest standards of corporate behavior towards everyone we work with, the communities we touch and the environment on which we have an impact. The below principles have been the guiding force for whatever we do and shall continue to be so in the years to come



A Report on compliance with the Corporate Governance provisions as prescribed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") is given herein below:

KOTAK COMMITTEE ON CORPORATE GOVERNANCE

The Securities and Exchange Board of India ('SEBI') accepted some of the recommendations with or without modifications on March 28, 2018 of the Kotak Committee on Corporate Governance and consequently, on May 9, 2018 the SEBI amended (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

Your Company welcomes this progressive step of SEBI and has already been in compliance with many of the recommendations made by the Kotak Committee as part of its Corporate Governance framework. The Company shall ensure that its governance framework incorporates the amendments introduced in the Listing Regulations and the same are complied with on or before the effective date.

RIGHTS OF SHAREHOLDERS

Your Company protects and facilitates shareholders' rights, provides adequate and timely information, opportunity to participate effectively in general meeting and ensure equitable treatment to all shareholders. The Company also makes aware the shareholders regarding their rights by uploading the relevant information on website of the Company.

ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE

Your Company recognizes the rights of stakeholders and encourages co-operation between the Company and stakeholders to enable participation in Corporate Governance process.

DISCLOSURE AND TRANSPERANCY

Your Company ensures timely and accurate disclosure on all material matters including the financial situation, performance, ownership and governance of the Company.

BOARD OF DIRECTORS

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

BOARD COMPOSITION

The Board of your Company has a good mix of Executive and Non-Executive Directors with half of the Board of the Company comprising Independent Directors. As on date of this Report, the Board consists of eight Directors comprising three Executive Directors including Chairman, one Non-Executive Director and four Independent Directors including One Woman Director. All three Executive Directors are Promoters/ Promoter Group Member. The composition of the Board represents an optimal mix of professionalism, knowledge, experience and enables the Board to discharge its responsibilities

and provide effective leadership to the business. The Board, as part of its succession planning exercise, periodically reviews its composition to ensure that the same is closely aligned with the strategy and long-term needs of the Company. There is no Nominee or Shareholders' Director on the Board of the Company.

On an annual basis, the Company obtains from each Director, details of the Board and Board Committee positions she / he occupies in other Companies and changes, if any, regarding their Directorships. In addition, the Independent Directors provide an annual confirmation that they meet the criteria of independence as defined under Section 149(6) on an annual basis of the Companies Act, 2013.

COMPOSITION AND DIRECTORSHIP(S)/COMMITTEE MEMBERSHIP(S) / CHAIRMANSHIP(S) AS ON MARCH 31, 2018

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

Name of Director	Date of Joining the Board	No. of shares held in the Company	Directorship in other Companies*	Membership on Committees in other Companies [#]	Chairmanship on Committees in other Companies [#]	Inter-Se Relations
Executive Directors						
Jayantibhai J Chandra Chairman & Managing Director	18.06.1986	13,51,742	--	--	--	Father of Mr. Niraj J Chandra
Mahendra J Patel Whole-time Director & CFO	31.11.1994	2,77,848	--	--	--	--
Niraj J Chandra Whole-time Director	01.03.2012	1,05,118	--	--	--	Son of Mr. Jayantibhai J Chandra
Non-Executive Non-Independent Director						
Vijay K Kedia	31.01.2009	--	2	1	--	--
Independent Directors						
Hakubhai Lalakiya	31.05.2006	--	--	--	--	--
Hasmukhbhai Adhvaryoo	27.12.2012	--	--	--	--	--
Hemantkumar Bhatt	27.12.2012	--	1	2	--	--
Margie S Parikh	19.01.2015	--	--	--	--	--

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

[#]Includes only Audit Committee and Stakeholders' Relationship Committee.

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

APPOINTMENT/RE-APPOINTMENT OF DIRECTORS & TENURE

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

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

The Company has adopted the provisions with respect to appointment and tenure of Independent Directors which are consistent with the Companies Act, 2013 and the Listing Regulations. The Independent Directors will serve a maximum of two terms of five years each, after the introduction of the Companies Act, 2013. Ms. Margie S Parikh has been appointed as Independent Director of the Company at Twenty Seventh Annual General Meeting of the Company for an initial period of 3 (Three) years with effect from August 31, 2015 and this term expires on August 30, 2018. On the basis of recommendations of the Nomination and Remuneration Committee, the Board of Directors has decided to extend her term for two years more as permissible under the Act. This is subject to approval of the shareholders at the ensuing Annual General Meeting.

The terms of office of all three Executive Directors of the Company namely Mr. J J Chandra, Mr. Mahendra J Patel and Mr. Niraj J Chandra are expiring in coming months. Considering their performance, the Nomination and Remuneration Committee has recommended the Board to re-appoint them for further three years and also to revise the remuneration with performance of the Company. The Board has decided to do so with approval of the shareholders in ensuing Annual General Meeting.

The brief profile of all Directors whose reappointment is sought in ensuing Annual General Meeting is annexed to the Notice.

BOARD INDEPENDENCE

Our definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013 and Regulation 16 of the Listing Regulations. Based on the confirmation / declarations received from the Directors and on evaluation of the relationships disclosed, all Non-Executive Directors other than Mr. Vijay Kedia are Independent.

BOARD MEETINGS

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

Five Board Meetings were held during the year, as against the minimum requirement of four meetings. The details of Board meetings held are given below:

Date of Meeting	Strength of Board	No. of Directors Present
May 13, 2017	8	8
August 12, 2017	8	5
December 02, 2017	8	7
February 10, 2018	8	7
March 12, 2018	8	7

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

BOARD PROCEDURES

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In addition, detailed quarterly performance report by CFO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc. The Company provides the information as set out in Regulation 17 read with Part-A of Schedule II of Listing Regulation to the Board and the Board Committees to the extent it is applicable and relevant.

The Company Secretary attends the Board and Committee meetings and advises the Board on Compliances with applicable laws and governance. The important decisions taken at the Board/ Committee meetings are communicated to the concerned departments/ divisions. The draft minutes of the Board and its Committees are sent to the members for their comments and then the minutes are entered in the minutes book within the time period provided in the Secretarial Standard.

SEPARATE INDEPENDENT DIRECTORS' MEETINGS

The Independent Directors meet at least once in a year, without the presence of Executive Directors or Management representatives. During the financial year ended March 31, 2018, the Independent Directors met two times on May 12, 2017 and February 10, 2018. All Independent Directors were present in both the meetings. They review the performance of non-Independent Directors and the Board as a whole and the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors. They have also assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition to this formal meeting, interactions outside the Board meetings also take place between the Chairman and Independent Directors.

FAMILIARISATION PROGRAMME

At the time of appointing a Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, function, duties and responsibilities expected of him/ her as a Director of the Company. The Director is also explained in detail the Compliance

required from him/ her under the Companies Act, 2013, Listing Regulation and other various statutes and an affirmation is obtained. The Chairman and Managing Director also has one to one discussion with the newly appointed Director to familiarize him/ her with the Company's operations.

On an ongoing basis, the familiarization activities are done in the separate session on the day of meeting of board of directors, preferably after the completion of the meetings. Three such sessions around two hours each have been held during the year. The sessions have been conducted by Mr. Paras Viramgama, Company Secretary and Mr. J V Adhia, President – Finance. All Independent Directors have attended the same.

The details of familiarization programme have been posted on the website of the Company and can be accessed through the following link: https://atulauto.co.in/upload/investor-relation/attachment/53/1425983604_atulauto_id-familiarization-programme.pdf

BOARD EVALUATION

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place performance evaluation policy to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis. The same can be accessed through web-link: https://atulauto.co.in/upload/investor-relation/attachment/47/1431604614_performance-evaluation-policy_atulauto.pdf

Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2017-18. A structured questionnaire was prepared after circulating the draft forms, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance. The performance evaluations of all the independent directors have been done by the entire Board of Directors, excluding the director being evaluated. Independent Directors have evaluated the performance of non-independent directors and Board as a whole at the separate meeting of Independent Directors. Independent directors have also reviewed the performance of the Chairperson of the company, taking into account the views of executive directors, non-executive directors, President - Finance and President - Marketing. The guidance note issued by SEBI on Board Evaluation was duly considered while conducting the evaluation exercise.

The Board of Directors at its meeting held on February 10, 2018, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. Based on the outcome of the Evaluation, the Board and Committees have agreed on the action plan to improve on the identified parameters.

As an outcome of the above exercise, it was noted that the Board as a whole is functioning as a cohesive body which is well engaged with different perspectives. The Board Members from different backgrounds bring about different complementarities that help Board discussions to be rich and value adding. It was also noted that the Committees are functioning well and besides the Committee's terms of reference as mandated by law, important issues are brought up and discussed in the Committee Meetings. The evaluation exercise

also suggested that the Board succession planning exercise has been embedded well in the Board processes.

COMMITTEES OF THE BOARD

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities as mandated by applicable regulation; which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Chairman of the respective Committees informs the Board about the summary of the discussions held in the Committee Meetings. The outcomes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

The Board has established the following statutory Committees:

AUDIT COMMITTEE

The Audit Committee comprise of Mr. Hemantkumar Bhatt, Independent Director as Chairman, Mr. Hakubhai Lalakiya, and Dr. Margie S Parikh, Independent Directors as Members of the Committee. All the Members of the Committee have relevant experience in financial matters.

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

- overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statement are correct, sufficient and credible;
- reviewing and examining with management the quarterly and annual financial results and the auditors' report thereon before submission to the Board for approval;
- reviewing management discussion and analysis of financial condition and results of operations;
- reviewing, approving or subsequently modifying any Related Party Transactions in accordance with the Related Party Transaction Policy of the Company;
- recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- reviewing and monitoring the auditor's independence and performance and effectiveness of audit process; reviewing management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- reviewing with management, Statutory Auditors and Internal Auditor, the adequacy of internal control systems;
- reviewing the adequacy of internal audit function and discussing with Internal Auditor any significant finding and reviewing the progress of corrective actions on such issues;
- evaluating internal financial controls and risk management systems;

- reviewing the functioning of the Code of Conduct and Whistle Blowing mechanism.

The Committee is governed by the terms of reference which are in line with the regulatory requirements mandated by the Companies Act, 2013 and the Listing Regulations. The detailed terms of reference of the Audit Committee is contained in 'Charter of Audit Committee' which is available on the website of the Company at https://atulauto.co.in/upload/investor-relation/attachment/46/1432028167_charter-of-audit-committee_atulauto.pdf. The Audit Committee ensures that it has reviewed each area that it is required to review under its terms of reference and under applicable legislation or by way of good practice. This periodic review ensures that all areas within the scope of the Committee are reviewed.

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

The Audit Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprise of Mr. Hasmukhbhai Adhvaryoo, Independent Director as Chairman, Mr. Hakubhai Lalakiya and Ms. Margie Parikh, Independent Director as Members.

The composition, powers, role and terms of reference of the Nomination and Remuneration Committee are as per the SEBI (LODR) Regulations, 2015 and Section 178 of the Companies Act, 2013.

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

- Determine / recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- Determine / recommend the criteria for qualifications, positive attributes and independence of Director;
- Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc.
- Specify the manner for effective evaluation of performance of Board, its committees and individual directors

The detailed terms of reference of the Nomination and Remuneration Committee and Policy of Remuneration is contained in the 'Nomination and Remuneration Policy' which is available on the website of the Company at https://atulauto.co.in/upload/investor-relation/attachment/45/1434014756_nomination-and-remuneration-policy_atulauto.pdf. The details of remuneration paid to all Directors during FY 2017-18 are provided in extract of Annual

Return in this report.

The Board of Directors are collectively responsible for selection of a member on the Board. The Nomination and Remuneration Committee of the Company follows defined criteria for identifying, screening, recruiting and recommending candidates for election as a Director on the Board which is available on website of the Company at https://atulauto.co.in/upload/investor-relation/attachment/51/1431596849_policy-on-board-nomination_atulauto.pdf. The Committee also recommends to the Board on extension or continuation of the term of appointment of Independent Directors on the basis of the report of performance evaluation of Directors.

The Nomination and Remuneration Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee comprise of Ms. Margie Parikh, Independent Director as the Chairperson and Mr. Hasmukhbhai Adhvaryoo and Mr. Hemantkumar Bhatt, as members of the Committee.

The role of Stakeholders' Relationship Committee includes resolving the grievances of Members, ensuring expeditious share transfer/transmission process, evaluating performance and service standards of the Registrar and Share Transfer Agent of the Company. The Committee considers and resolves the grievances of the security holders of the listed entity including complaints related to transfer of shares, non-receipt of annual report and non-receipt of declared dividends.

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

Mr. Paras J. Viramgama, Company Secretary, is the Compliance Officer for resolution of Shareholder's/ Investor's complaints. During the Financial Year ended March 31, 2018, two complaints were received from the shareholders and resolved during the year. Hence, none of them were pending as on March 31, 2018.

The Stakeholders' Relationship Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility (CSR) Committee comprise of Mr. Jayantibhai J Chandra, Chairman and Managing Director as the Chairman of the Committee and Mr. Hakubhai Lalakiya and Mr. Hasmukhbhai Adhvaryoo as members of the Committee. The Composition of CSR Committee is pursuant to the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

- Recommend the amount of expenditure to be incurred on the activities;
- Monitor implementation and adherence to the CSR Policy of the Company from time to time;

- Prepare a transparent monitoring mechanism for ensuring implementation of the projects/ programmes/activities proposed to be undertaken by the Company; and
- Such other activities as the Board of Directors may determine from time to time.

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

The Corporate Social Responsibility Committee met four times during the financial year ended March 31, 2018 on May 13, 2017, August 12, 2017, December 02, 2017 and February 10, 2018.

ATTENDANCE OF DIRECTORS/ MEMBERS AT BOARD AND COMMITTEE MEETING(S)

The following table shows attendance of Directors at the Board and Members of the statutory Committee Meeting(s) for the year ended March 31, 2018. Attendance is presented as number of meeting(s) attended out of the number of meeting(s) required to be attended.

Name of Director/ Member	Board Meeting	Audit Committee Meeting	Nomination and Remuneration Committee Meeting	Stakeholders' Relationship Committee Meeting	Corporate Social Responsibility Committee Meeting	Last AGM Attended (Y/N)
Meeting held	5	4	4	4	4	
Jayantibhai Chandra	4	NA	NA	NA	3	Y
Mahendra Patel	5	4	NA	NA	NA	Y
Niraj Chandra	3	NA	NA	NA	NA	Y
Vijay Kedia	3	NA	NA	NA	NA	N
Hakubhai Lalakiya	5	4	4	NA	4	Y
Hasmukhbhai Adhvaryoo	5	NA	4	4	4	Y
Hemantkumar Bhatt	5	4	NA	4	NA	Y
Margie Parikh	4	4	4	4	NA	Y

COMPANY POLICIES

VIGIL MECHANISM/ WHISTLE BLOWER POLICY

Pursuant to Section 177(9) and (10) of the Companies Act, 2013, and Regulation 22 of the Listing Regulation, the Company has formulated Whistle Blower Policy for vigil mechanism of Directors and employees to report to the management about the unethical behavior, fraud or violation of Company's Code of Conduct.

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

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

GOVERNANCE OF SUBSIDIARY COMPANY

From this year onwards, the Board of Directors of the Company becomes responsible for governance of the subsidiary company namely Atul Green Automotive Private Limited incorporated in the month of January 2018. The minutes of the Board Meetings of the subsidiary company along with the details of significant transactions and arrangements entered into by the subsidiary company are shared with the Board of Directors on a quarterly basis. The financial statements of the subsidiary company are presented to the Audit Committee.

The Company does not have a material subsidiary as on the date of this report, having a net worth exceeding 20% of the consolidated net worth or income of 20% of the consolidated income of your Company.

The Whistle Blower Policy is available on the website of the Company https://atulauto.co.in/upload/investor-relation/attachment/39/1431604515_atulauto_whistleblowerpolicy_vigilmechanis.pdf

CODE OF CONDUCT

The Board of Directors is responsible for ensuring that rules are in place to avoid conflict of interest by the Board Members and the Management Committee. Your Company has adopted a Code of Conduct for members of the Board and the Senior Personnel. The same have been posted on the website. The Codes aim at ensuring consistent standards of conduct and ethical business practices across the Company. All the Board Members and the Senior Management Personnel have affirmed their compliance with the said Code of Conduct for the financial year ended March 31, 2018. The declaration to this effect signed by Mr. J J Chandra, Chairman and Managing Director of the Company forms part of the report. A copy of the said Code of Conduct is available on the website of the Company https://atulauto.co.in/upload/investor-relation/attachment/49/1431596911_code-of-conduct-for-board-members-and-senior-management-personnel_atulauto.pdf

POLICY ON DEALING WITH RELATED PARTY TRANSACTIONS

The Company has not entered into any material Related Party Transaction during the year. In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated a Policy on Related Party Transactions which is also available at Company's website under the web link: https://atulauto.co.in/upload/investor-relation/attachment/38/1432029015_policy-on-related-party-transaction_atulauto.pdf

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

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

INSIDER TRADING CODES

The Company has instituted a mechanism to avoid Insider Trading and abusive self-dealing in the securities of the Company. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to prohibit insider trading activity and has framed a Code of practices and procedures for fair disclosure of unpublished price sensitive information. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the Members at large. This can be accessed https://atulauto.co.in/upload/investor-relation/attachment/43/1434169929_code-of-practice-and-procedures-for-fair-disclosure-of-upsi_atulauto.pdf

The Board of the Company has adopted a Code of Conduct to regulate, monitor and reporting of Trading in Company's Securities by Insiders in terms of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The details of dealing in Company's shares by Specified Employees (which include Members of the Management Committee and Directors) are placed before the Board for information on quarterly basis. The Code also prescribes sanction framework and any instance of breach of Code is dealt with in accordance with the same. A copy of this is made available to all employees of the Company and compliance of the same is ensured. It is available on the website of the Company at https://atulauto.co.in/upload/investor-relation/attachment/44/1434169883_code-of-conduct-for-prohibition-of-insider-trading_atulauto.pdf

POLICY FOR DETERMINING 'MATERIAL' SUBSIDIARIES

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

OTHER DISCLOSURES AND AFFIRMATIONS

RISK MANAGEMENT

The Company has laid down procedures to inform the Board of Directors about the Risk Management and its minimization. The Audit Committee with Board of Directors has framed the Risk Management Policy. The implementation and monitoring of the same is being reviewed periodically by the Board.

DISCLOSURE OF PENDING CASES / INSTANCES OF NON-COMPLIANCE

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

DISCLOSURE OF ACCOUNTING TREATMENT IN PREPARATION OF FINANCIAL STATEMENTS

The Company adopted Indian Accounting Standards (Ind AS) from April 1, 2017. Accordingly, the financial statements have been prepared in accordance with Ind AS as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under section 133 of the Act and other relevant provisions of the Act.

COMMODITY PRICE RISKS AND COMMODITY HEDGING ACTIVITIES

The Company is exposed to the risk of price fluctuation of raw materials as well as finished goods. The Company proactively manages these risks through efficient inventory management and proactive vendor development practices. The Company's reputation for quality, products differentiation and after sale service, coupled with existence of powerful brand image with robust marketing network mitigates the impact of price risk on finished goods.

CEO/CFO CERTIFICATION

As required under Regulation 17 of the Listing Regulations, the CEO/ CFO certificate for the financial year 2017-18 signed by Mr. J J Chandra, Chairman & Managing Director and Mr. Mahendra J Patel, Whole-time Director & CFO, was placed before the Board of Directors of the Company at its meeting held on May 19, 2018.

COMPLIANCE WITH DISCRETIONARY REQUIREMENTS OF REGULATION 27(1)

In addition to mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has also complied with following discretionary requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Unmodified opinion in audit report:

During the year under review, there was no audit modification/ qualification on the Company's financial statements.

GENERAL SHAREHOLDER INFORMATION:**GENERAL BODY MEETINGS OF LAST THREE YEARS:**

Financial Year	Date and Time	Venue	Details of special resolutions passed
2014-15	August 31, 2015 11:00 am	Registered Office	Increase in remuneration of Mr. J J Chandra, Chairman and Managing Director Increase in remuneration of Mr. M J Patel, Whole-time Director & CFO Reappointment of Mr. Niraj J Chandra, Whole-time Director with increase in remuneration Adoption of new Article of Association in substitution of existing Article of Association
2015-16	September 16, 2016 11:00 am	Registered Office	Extension of term of Mr. Hakubhai Lalakiya, Independent Director Extension of term of Mr. Hasmukhbhai Adhvaryoo, Independent Director Extension of term of Mr. Hemantkumar Bhatt, Independent Director Reappointment of Mr. J J Chandra, Chairman & Managing Director with increase in remuneration Reappointment of Mr. M J Patel, Whole-time Director & CFO with increase in remuneration Increase in Remuneration of Mr. Niraj Chandra, Whole-time Director
2016-17	September 29, 2017 11:00 am	Registered Office	No special resolutions were passed at this meeting

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

ANNUAL GENERAL MEETING FOR FY 2017-18:

Date	: Friday, September 28, 2018
Time	: 11:00 am
Venue	: Registered Office of the Company Survey No. 86, Plot No. 1 to 4, 8B National Highway, Near Microwave Tower, Shapar (Veraval), Dist. Rajkot, Gujarat, INDIA 360024

DATE OF BOOK CLOSURE:

From	: Saturday, September 22, 2018
To	: Friday, September 28, 2018

DIVIDEND DETAILSInterim Dividend @ Rs.2.75 for FY 2017-18

Declared by the Board of Directors	: Saturday, December 02, 2017
Paid on	: Monday, December 18, 2017

Final Dividend @ Rs.2.50 for FY 2017-18

Recommended by the Board of Directors	: Saturday, May 19, 2018
Subject to declaration in AGM on	: Friday, September 28, 2018
Paid by	: Friday, October 27, 2018

FINANCIAL YEAR

: From 1st April to 31st March

LISTING DETAILS:

(i) BSE Limited, Mumbai	BSE Scrip Code : 531795
(ii) National Stock Exchange of India Limited, Mumbai	NSE Scrip Symbol: ATULAUTO

ISIN

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

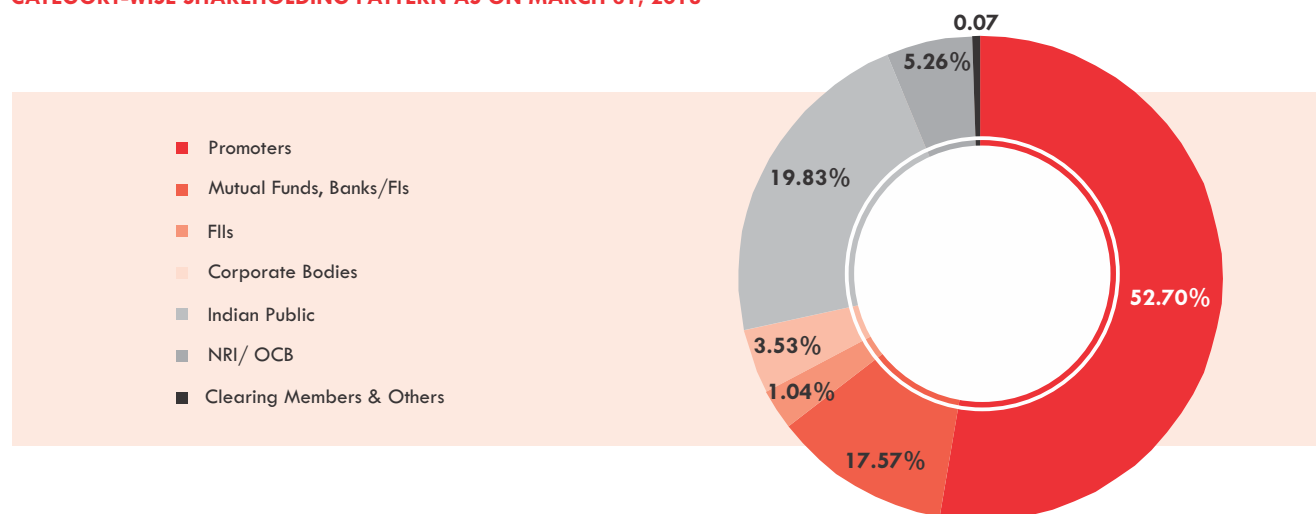
The Company has paid the listing fees to BSE and NSE and the custodian charges to National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for the financial year ended March 31, 2018.

DISTRIBUTION OF SHAREHOLDING

Distribution of shareholding of shares of the Company as on March 31, 2018 is as follows:

Shares of Nominal Value		Shareholders		Shareholding	
From	To	No. of holders	% of holders	Total Amount	% of Amount
-	5000	20783	96.34%	11085220	10.10%
5001	10000	396	1.84%	2869220	2.62%
10001	20000	185	0.86%	2646760	2.41%
20001	30000	62	0.29%	1496760	1.36%
30001	40000	21	0.10%	758970	0.69%
40001	50000	19	0.09%	889885	0.81%
50001	100000	35	0.16%	2340725	2.13%
100001	ABOVE	72	0.33%	87628460	79.87%
		21573	100.00%	109716000	100.00%

CATEGORY-WISE SHAREHOLDING PATTERN AS ON MARCH 31, 2018



DEMATERIALIZATION AND LIQUIDITY

The break-up of shares in physical and dematerialized form as on March 31, 2018 are as under:

	No. of shares	% of shares
Physical Mode	6,82,120	3.11%
NSDL Holding	1,73,06,385	78.87%
CDSL Holding	39,54,695	18.02%
Total	21,943,200	100.00%

The shares of the Company can be held and traded in electronic form. As stipulated by SEBI, the shares of the Company are accepted in the Stock Exchanges for delivery only in dematerialization form.

The shareholders holding shares in physical form are requested to dematerialize their shares at the earliest and avail various benefits of dealing in securities in electronic/ dematerialized form. For any clarification, assistance or information, please contact the Registrar and Transfer Agent of the Company.

UNCLAIMED DIVIDEND/SHARE CERTIFICATE

In accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules)

dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority. In accordance with

the said IEPF Rules and its amendments, the Company had sent notices to all the Shareholders whose shares were due to be transferred to the IEPF Authority and simultaneously published newspaper advertisement.

In terms of the provisions of Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 / Investor Education and Protection Fund (Awareness and Protection of Investors) Rules, 2001, Rs.71,248/- of unpaid / unclaimed dividends and 22,258 shares were transferred during the financial year 2017-18 to the Investor Education and Protection Fund.

The Company has appointed a Nodal Officer under the provisions of IEPF, the details of which are available on the website of the Company: <https://atulauto.co.in/investors-services.aspx>

The Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 29, 2018 (date of Last A G M) on the Company's website <https://atulauto.co.in/unclaimed-dividend.aspx>

SHARE TRANSFER SYSTEM

M/s. Sharex Dynamic India Private Limited is the Company's Registrar and Share Transfer Agent (RTA) for carrying out share related

activities like transfer of shares, transmission of shares, transposition of shares, name deletion, change of address, amongst others.

The Board of Directors of the Company have delegated the authority to approve the transfer of shares, transmission of shares or requests for deletion of name of the shareholder etc., as mentioned in regulation 9 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the designated officials of the Company. The transactions in respect of issue of duplicate share certificates, split, rematerialization, consolidation and renewal of share certificates are approved by the designated officials of the Company and reviewed by the Stakeholders' Relationship Committee.

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

The Company obtains a half-yearly compliance certificate from a Company Secretary in Practice as required under regulation 49 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and files a copy of the said certificate with Stock Exchanges.

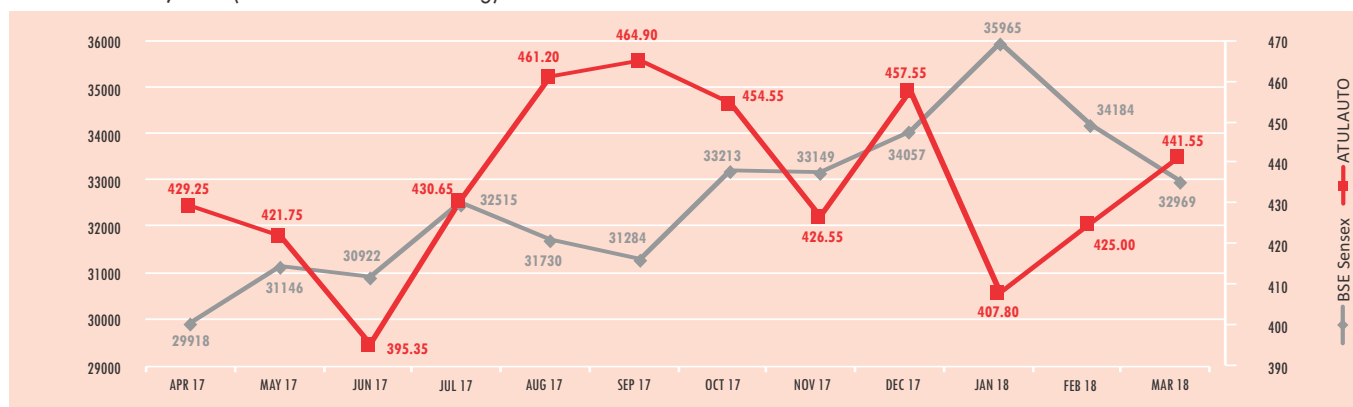
MARKET PRICE DATA:

The monthly high and low prices and volumes of the Company's shares at BSE and NSE for the financial year ended March 31, 2018 are as under:

Month	BSE			NSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
Apr-17	475.00	426.20	69371	477.90	424.65	615779
May-17	453.90	402.45	117013	447.80	403.50	642208
Jun-17	436.00	389.85	61803	440.00	389.30	652274
Jul-17	442.00	399.00	281937	442.00	401.00	824968
Aug-17	477.35	395.10	173375	478.00	401.00	1054958
Sep-17	511.90	438.90	205554	512.00	439.00	1374535
Oct-17	485.50	453.90	293928	485.95	452.20	1472923
Nov-17	460.70	412.60	97234	461.70	416.00	689811
Dec-17	460.90	412.00	170111	460.00	411.00	864145
Jan-18	474.00	404.05	166922	476.00	408.80	1005488
Feb-18	438.00	392.00	142700	442.70	400.00	942727
Mar-18	452.95	414.45	50766	455.95	411.70	568311

PERFORMANCE IN COMPARISON TO BROAD-BASED INDICE

The Chart below shows the comparison of your Company's share price movement on BSE vis-à-vis the movement of BSE Sensex for the financial year ended March 31, 2018 (based on month end closing):



MEANS OF COMMUNICATIONS

Publication of quarterly financial results:

Quarterly, half-yearly, nine-monthly and annual financial results of the Company were published in leading English and vernacular newspaper like Economic Times, Financial Express, Business Standard etc.

Website and News Releases:

A separate section under 'Investors' on the Company's website gives information on various announcements made by the Company, status of unclaimed dividend, stock quotes, Annual Report, Quarterly, Half-yearly and Annual financial results along with the applicable policies of the Company. The Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other Rules and Regulations issued by SEBI.

NEAPS (NSE Electronic Application Processing System):

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are also filed electronically through NEAPS.

BSE Corporate Compliance & Listing Centre:

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, Shareholding pattern, Corporate Governance Report, Corporate announcements are also filed electronically on the Listing Centre.

Designated Email Address for Investor Services

The designated email address for investor complaints is investorrelations@atulauto.co.in

Physical Communication:

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

Sharex Dynamic (India) Private Limited

Unit No. 1, Luthra Ind. Premises,
1st Floor, 44-E, M Vasanti Marg,
Safed Pool, Andheri-Kurla Road,
Andheri (East), Mumbai-400072

Phone : 022-2851 5606/5644

E-Mail : info@sharexindia.com, sharexindia@vsnl.com

Web : www.sharexindia.com

For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company:

Atul Auto Limited

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

Phone : 02827 235500

E-Mail : investorrelations@atulauto.co.in

Web : www.atulauto.co.in

PLANT LOCATION:

Shapar Plant

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

Upcoming Plant: Ahmedabad Plant

Rajkot-Ahmedabad Highway,
Near Super Gas Plant,
Village: Bhayla,
Taluka: Bavla, Dist. Ahmedabad
Gujarat, INDIA 382220

ANNEXURE TO REPORT ON CORPORATE GOVERNANCE FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

I hereby confirm that the Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with the Code of Conduct for Board Members and Senior Management Personnel in respect of the financial year ended March 31, 2018.

Shapar (Dist. Rajkot)
May 19, 2018

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

CEO/CFO CERTIFICATE UNDER REGULATION 17(8) OF THE SEBI
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To,
The Board of Directors,
Atul Auto Limited,

We, Mr. J J Chandra, Chairman and Managing Director and Mr. Mahendra J Patel, Whole-time Director & CFO of Atul Auto Limited hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2018 and that to the best of our knowledge and belief:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the step we have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee that:
- (i) Significant changes, if any in internal control over financial reporting during the year;
 - (ii) Significant changes, if any in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Shapar (Dist. Rajkot)
May 19, 2018

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

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

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

To
the Members of
Atul Auto Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated August 12, 2017.
2. We, Kamlesh Rathod & Associates, Chartered Accountants, the Statutory Auditors of Atul Auto Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on March 31, 2018, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

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

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

Auditor's Responsibility

4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended March 31, 2018.
6. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Kamlesh Rathod & Associates

Chartered Accountants
Firm's Registration No: 117930W

Kamlesh Rathod

Partner
Membership No: 101046

Shapar (Dist. Rajkot)
May 19, 2018