# Resilient | Responsive | Rising

**Atul Ltd | Annual Report 2021-22**

# Contents



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**www.atul.co.in**

Tender leaves and flowers of purple mountain saxifrage plant emerging through solid rocks is epitome of a resilient life. The plant is responsive to challenges and is rising against odds.

A successful business endures, sustains and grows like the plant. It is our endeavour to see that we build a resilient, responsive and rising business. The gift of Values binds us and helps us in this journey.

**Let me pray not to be sheltered from dangers,**
**but to be fearless in facing them.**
**- Rabindranath Tagore**

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### 45th Annual General Meeting

Friday, July 29, 2022

10:30 am

The meeting will be held through video conferencing.

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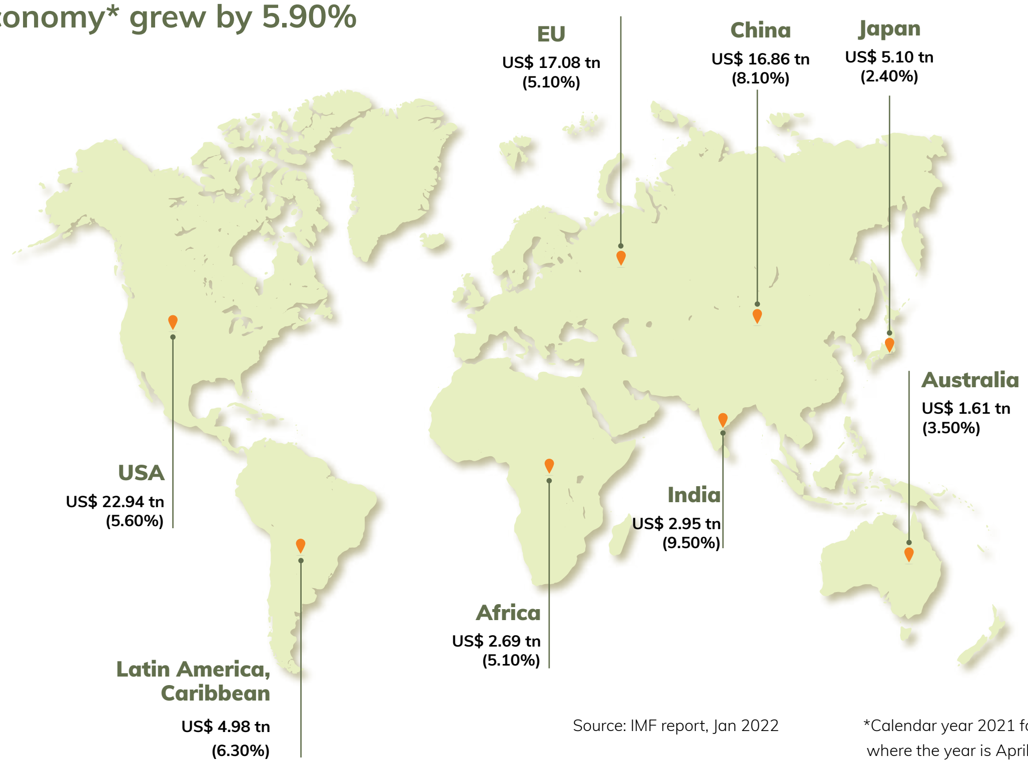
### Forward looking statements

In this annual report, we have shared information and made forward looking statements to enable investors to know our product portfolio, business logic and direction and thereby comprehend our prospects. Such statements that we make are based on our assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'believe', 'estimate', 'intend', 'plan', 'project' or words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realised although we believe we have been prudent in our assumptions. The actual results may be affected because of uncertainties, risks and even inaccurate assumptions. If uncertainties or known or unknown risks materialise or if underlying assumptions prove inaccurate, actual results may vary materially from those anticipated, believed, estimated, intended, planned or projected. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

The Members may send in their comments or suggestions for improvement of the annual report by e-mail to shareholders@atul.co.in

# Recapping 2021-22

## World economy* grew by 5.90%




Source: IMF report, Jan 2022

*Calendar year 2021 for all except India where the year is April 2021 to March 2022

**Crude oil, steel prices and forex rates remained unpredictable and varied between**

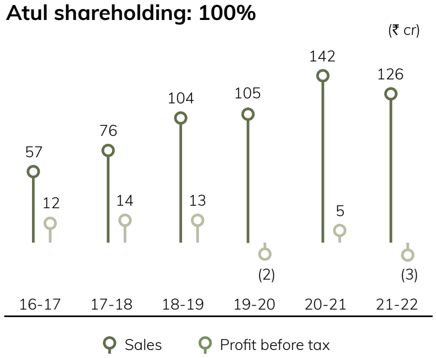
US$ 61.47 and US$ 133.18 per barrel | ₹ 53,000 and ₹ 65,400 per mt | ₹ 76.97 and ₹ 72.40 per US$

## Atul endeavoured to maintain inclusive growth

- Sales increased by 42% from ₹ 3,460 cr to ₹ 4,929 cr
- Net worth increased by 16% from ₹ 3,711 cr to ₹ 4,316 cr
- Gross block increased by 14% from ₹ 1,839 cr to ₹ 2,098 cr
- Profit before tax* increased from ₹ 773 cr to ₹ 804 cr
- Social work undertaken via 34 initiatives under six programs of national importance

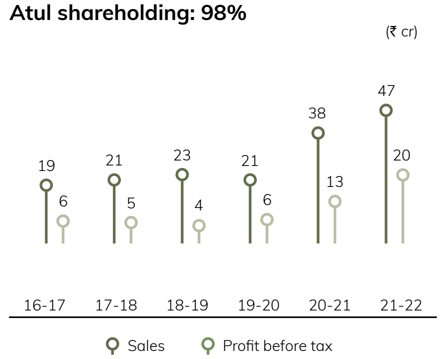
### Atul Bioscience Ltd

**Atul shareholding: 100%**



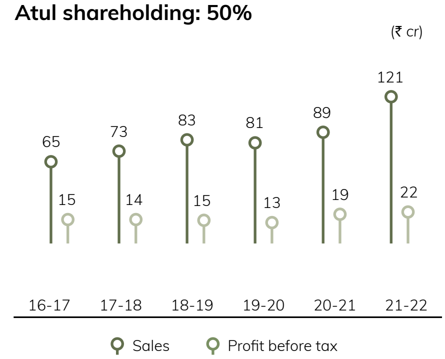

### DPD Ltd

**Atul shareholding: 98%**




### Rudolf Atul Chemicals Ltd

**Atul shareholding: 50%**




* excluding one-time dividend income

# 70 years of operations

**Incorporated on September 05, 1947, the story of Atul is closely linked to that of independent India. The Company is the first private sector enterprise of the country to be inaugurated by its first Prime Minister, Pandit Jawaharlal Nehru. It was established to generate employment on a large-scale, create wealth in rural areas and become self-sufficient in selected chemicals then totally imported.**

**Atul has been serving the society since its incorporation in step with the tradition of its legendary Founder, Kasturbhai Lalbhai.**

First plants commissioned; commenced production of dyes for the first time in India

**1952**

Established a joint venture (JV), Atic Industries Ltd, with Imperial Chemical Industries plc of the UK

**1955**

Established a JV, Cibatul Ltd, with Ciba Geigy Ltd of Switzerland

**1960**

Established a JV, Cyanamid India Ltd, with American Cyanamid Company of the USA

**1962**

Commenced production of 2,4-D acid for the first time in India

**1968**

Acquired Anchor Adhesives Pvt Ltd which owned Polygrip brand

**2010**

Formed subsidiary company, Atul Brasil Quimicos Ltda

**2011**

Atul

Established a JV, Rudolf Atul Chemicals Ltd, with Rudolf GmbH of Germany

2011

Acquired DPD Ltd in the UK

2011

Formed subsidiary company, Atul Middle East FZ LLC

2015

Established a JV, Anaven LLP, with Nouryon Chemicals International BV of the Netherlands

2017

Acquired a manufacturing site for ABL at Ambernath, Maharashtra

2019

Formed subsidiary company, Atul Products Ltd

2020

Established a JV, Atul Rajasthan Date Palms Ltd, with the Government of Rajasthan

2009

Formed subsidiary company, Atul China Ltd

2004

Commenced production of 3,3'-Diaminodiphenyl sulfone for the first time in India

2000

Commenced production of Dapsone, an API, for the first time in India

2000

Commenced production of *para*-Cresol for the first time in India

1999

Establised subsidiary company, Atul Bioscience Ltd (ABL)

1997

Acquired controlling interest in Piramal Rasayan Ltd and renamed it as Amal Ltd

1985

Acquired Gujarat Aromatics Ltd and got its second production site in Ankleshwar

1988

Formed subsidiary company, Atul USA Inc

1994

Commenced production of 4,4'-Diaminodiphenyl sulfone for the first time in India

1996

Formed subsidiary company, Atul Europe Ltd

1996

# Corporate identity

Our ability to reach unity in diversity will be the beauty and the test of our civilisation.
- Mahatma Gandhi

## Valley of flowers

Valley of flowers is a national park located in Uttarakhand, India. The valley is home to about 600 species of flowers and is known for its meadows of endemic alpine flowers and a variety of flora. It is a UNESCO world heritage site. Here nature blooms in full glory offering a breath-taking experience – this also stands testimony to the delightful impact that diversity can create. Team Atul preserves and celebrates its diversity with offices in four continents and its members belonging to different cultures, nationalities and religions, all contributing to the common goal of growth of the Company and service to humanity.

We are a diversified Indian company (a part of Lalbhai Group, one of the oldest business houses of India with a legacy of conducting business with a larger purpose) meeting the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy. We manage complex chemical processes in a responsible way.

In order to enhance focus, we have placed the products belonging to the two reporting segments, namely Life Science Chemicals and Performance and Other Chemicals, under seven sub-segments (interchangeably called Businesses), namely Aromatics, Bulk Chemicals and Intermediates, Colours, Crop Protection, Floras, Pharmaceuticals and Polymers – these in turn are managed through a matrix organisation structure for achieving all-round functional excellence.

## Exemplary past

- Founded on September 05, 1947, by Kasturbhai Lalbhai, a legendary Indian, to create wealth in rural India, generate employment on a large-scale and make India self-reliant

  ... ... ...

- First private sector company of independent India to be inaugurated by the first Prime Minister of the country, Pandit Jawaharlal Nehru, on March 17, 1952
- A company that has manufactured many products for the first time in India

## Energetic present

- Increasing productivity and efficiency and strengthening people and business processes
- Broadening and deepening its presence in the marketplace
- Serving the society, particularly in the areas of national priorities like education, empowerment and infrastructure

## Encouraging future

- Seeking growth through existing, downstream, related, value added and diversified product portfolio
- Leveraging depth in science and technology and having integrated manufacturing
- Developing and growing a retail product portfolio to participate in the full value chain

> Equity share capital of ₹ 30 cr, reserves of ₹ 4,287 cr

> Paid uninterrupted dividend* since commencement of operations in 1952 and recommended 250% dividend for 2021-22

> Market capitalisation increased from ₹ 57 cr as at March 31, 1999, to ₹ 30,453 cr as at March 31, 2022

*except one year

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Atul

Atul Ltd

Atul Bioscience Ltd
DPD Ltd
Atul Rajasthan Date Palms Ltd
Amal Ltd
Rudolf Atul Chemicals Ltd
Anaven LLP

Atul Brasil Quimicos Ltda
Atul China Ltd
Atul Europe Ltd
Atul Ireland Ltd
Atul Middle East FZ-LLC
Atul USA Inc

Atul Foundation

Atul Vidyalaya
Atul Rural Development Fund
URMI

Atul Club

# Singleness of Purpose

**We are committed to significantly enhancing value for our stakeholders by:**

- fostering a spirit of continuous learning and innovation
- adopting developments in science and technology
- providing high quality products and services, thus becoming the most preferred partner
- having people who practice Values and exemplify a high standard of behaviour
- seeking sustained, dynamic growth and securing long-term success
- taking responsible care of the surrounding environment
- improving the quality of life of the communities we operate in

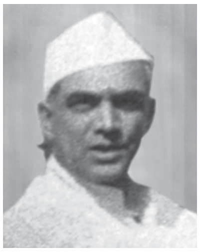
## Kasturbhai Lalbhai

**(1894 – 1980)**

The legacy of our Founder has been synonymous with three terms: excellence, perseverance and trusteeship. At Atul, we have the most onerous responsibility to expand and diversify our footprint and follow his figurative footsteps. We are endeavouring to achieve this remit in full measure.

## Balwantrai Mazumdar

**(1902 – 1981)**



An economist, Balwantrai Mazumdar was a voracious reader, sound thinker, patient listener and a farsighted professional. He created an atmosphere of camaraderie that brought out the collective best of the people of Atul. He was the moving force behind making Atul Complex one of the largest eco-friendly chemical sites of its kind in the world. He remained with the Group till the end of his life, as did most of the people who worked with our Founder.

## Siddharth Lalbhai

**(1923 – 1998)**

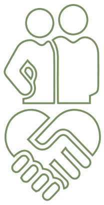
A chemical engineer and the elder son of our Founder, Siddharth Lalbhai dedicated his life to the development of Atul. He accorded equal value to creation of wealth and service to society. The principles of trusteeship that he upheld, the personal qualities of integrity, perseverance and simplicity that he lived by and the single-minded devotion that he gave to tasks on hand will always remain our guiding force.

# Oneness of Values

The name ‘Atul’ is a unique asset, which represents a rich heritage of Values. In an environment where change is a way of life, continuity of Values provides stability and is fundamental to us. We have therefore formalised key Values and are committed to institutionalising them. We will seek to create an environment wherein these Values are consistently practised and nurtured and ensure that they are not compromised.

## INTEGRITY

Working with honesty, following the highest standards of professionalism. Integrity is when our decisions and actions remain consistent with our thoughts and words, written  or spoken.

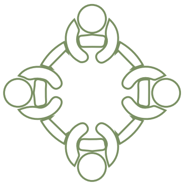


## UNDERSTANDING

How well we work with others depends on our ways to connect and this in turn is based on our level of Understanding of human relationships. This certainly does not mean that we accept poor performance, but that we do it the right way. Understanding is the external manifestation of internal realisation.

## UNITY

Working together and taking advantage of synergy while harnessing unique abilities of each of us to achieve a larger goal. Unity is the realisation that though we may work in different areas, we are finally interconnected and that interdependence is a higher order of living than independence. Though we may be many, we share a common purpose.



## RESPONSIBILITY

Delivering value and taking ownership of actions. Responsibility must also give us the realisation that what is good for the business must be in the overall good. In essence, we must work with a spirit of trusteeship for the shareholders and other stakeholders. What comes to us must be returned many times over.

## EXCELLENCE

A drive that is more from inside than outside; it is about us seeking to continuously improve and develop an eye for innovation even in day to day work. Excellence is about excelling in everything we do and not giving up. Excellence is also a journey, not simply a destination in itself.

# Business model

A business model is not a mere representation of the operations of an organisation, but is one that is endeavouring to create, deliver and capture value. Ultimately, it is tested against time and adversity. When an organisation and its approach sustain through volatile and uncertain business cycles and still create, deliver and capture value for the stakeholders, then they can well be called a model business.

## What we depend on

### Relationships

**Team members**
Our ~3,000 team members apply their knowledge and skill and invest their time in an agile way.

**Suppliers**
Our ~3,800 suppliers help us to source materials and obtain services uninterruptedly.

**Customers**
Our ~2,000 distributors and 38,000 retailers help us to reach our products and brands across India and outside.

**Governments**
Our operations are facilitated further by the policies of the state and central governments.

### Resources

**Input materials**
We use, amongst others, thousands of tonnes of derivatives of crude oil, salt and coal.

**Financial resources**
We predominantly use capital from our shareholders and internal accruals which enable us to secure sustainable growth.

**Intangible assets**
We leverage our strengths in research, technology, sourcing, manufacturing, logistics, brands and customer service which provide us competitive edge.

**Tangible assets**
We have integrated manufacturing facilities spread over ~1,500 acres, with 6 sites and 15 offices in India and outside.

## What we do

### 1. Consumer insights

We work closely with consumers and customers to develop insights into their needs.

### 2. Innovation

We develop our products and brands through innovation and consistent improvements based on insights and critical thinking.

### 3. Sourcing and manufacturing

We source materials and services so as to manufacture ~1,300 products (including formulations) and 140 brands using several unit processes and unit operations.

Our business model puts the customer at the centre of the business and decision-making and provides a foundation for future growth. We strive for innovation and excellence in select chemistries to delight our customers with our consistently superior quality, competent prices and valuable technical services. We aim to create lasting value and deliver benefits to our customers and the economies and communities we operate in.

## 4. Logistics

We deliver our products and brands through a network of warehouses and distribution channels in India and outside.

## 5. Marketing

We manage our portfolio of products and brands through product management, market development and marketing services.

## 6. Sales

We make our products available to our customers directly and through distributors and retailers.

## Value we create for

### Consumers

We aim to provide superior quality products and brands to our consumers to meet their expectations.

### Customers

We supply our products to customers consisting of users and channel partners (distributors and retailers) to grow their businesses (and ours).

### Suppliers

We partner with suppliers for our requirement of materials and services which in turn grow their business with that of ours.

### Team members

We aim to create a happy work environment, reward the team members fairly and provide them with opportunities to learn and grow.

### Governments

We contribute to the government exchequers, in India and outside, through our business operations.

### Society

We serve in particular the communities we operate in and in general the society to make a difference in the lives of people.

### Planet

We aim to make the planet better by consistently improving our operations, amongst others, to bring down gaseous emissions, liquid effluents and solid wastes.

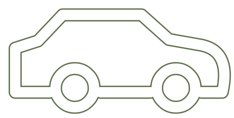
### Shareholders

We strive to deliver responsible, profitable and consistent growth for our shareholders.

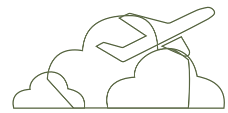
# Serving diverse industries

## touching lives in many ways ...

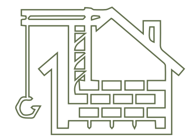
Agriculture



Automobile

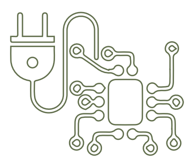


Composites



Construction

Cosmetic



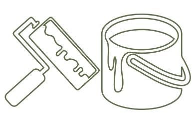
Electrical and Electronics

Fragrance

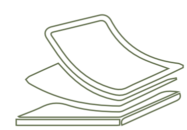
Glass

Home Care

Horticulture



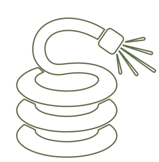
Paint and Coatings



Paper

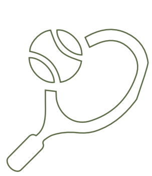
Personal Care

Pharmaceuticals



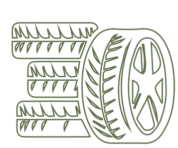
Rubber

Soap and Detergent

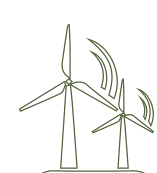


Sport and Leisure

Textile



Tyre



Wind Energy

# Footprint

- Production facilities in India (Ankleshwar, Atul, Panoli and Tarapur)
- Subsidiary companies with production facilities in India (Ambernath and Atul) and the UK (Bristol)
- Joint venture entities with production facilities in India (Atul and Jodhpur)
- Wholly-owned subsidiary companies in Brazil (São Paulo), China (Shanghai), Ireland (Dublin), the UAE (Dubai), the UK (Wilmslow) and the USA (Charlotte)
- Building distribution network of retail sales across India
- Operates through a network of 38,000 retail outlets in India
- Has started selling its retail products in neighbouring countries

**Manufactures 900 products and 400 formulations**

**Serves 4,000 customers in 75 countries**

**Owns 140 brands**



# Operational highlights

Curiosity evokes knowledge and enhances our learning. Knowledge becomes useful when it is prompted by the rigour of action. Our endeavour is to augment deep insights and foster favourable changes to bring improvements across each function. Technology is at the core of all that we do, not just in the realms of R&D and manufacturing. We share a few highlights as follows:

**Every next level of your life will demand a different you.**

**— Leonardo Di Caprio**

## People

- Enhanced recruitment process
- Increased focus on digitisation and digitalisation of HR processes
- Rolled out structured skill development at the shop floor level


## Systems

- Implemented Atul Mitra for the Retail business, a secondary sales tracking solution
- Rolled out software defined network - to enhance network performance, security and automate access control
- Upgraded Oracle e-Business suite (application and database) version to enhance controls, functionalities and security

## Safety

- Conducted 128 HAZOP studies and 94 risk assessments
- Provided EHS training to 2,237 permanent employees and workmen and 4,630 contract workmen
- Received ISO 45001:2018 certification for Atul site

## Health

- Carried out 12,144 health check-ups
- Conducted COVID-19 vaccination camps for employees and their family members
- Established work at height competency assessment

## Environment

- Commissioned a new effluent treatment plant at Atul South site to augment treatment capacity
- Completed 86 identified air emissions control projects
- Installed multiple effect evaporator as part of the zero liquid discharge project at Atul North site

## Technology and Manufacturing

- Implemented 74 process improvement initiatives
- Initiated recycling of treated water to reduce water consumption
- Introduced auto-packing system using robotics

## Research and Development

- Decreased consumption of raw materials and solvents of eight products
- Developed 22 new products and formulations
- Improved yield of six products

## Sales and Marketing

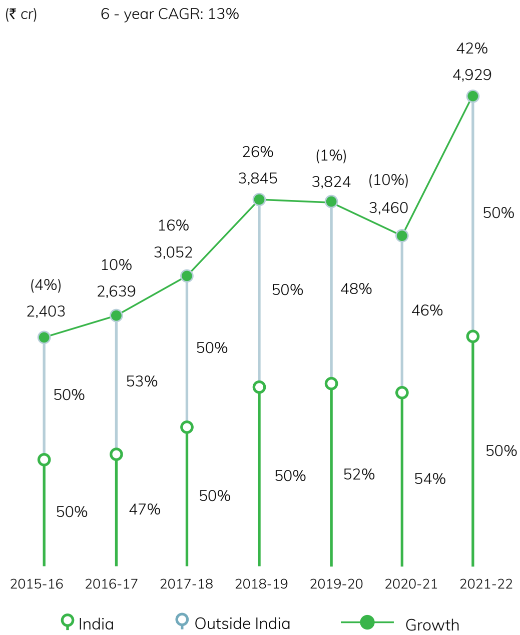
- Added 238 new customers
- Added 25 new products
- Commenced sales in nine new geographies

## Growth

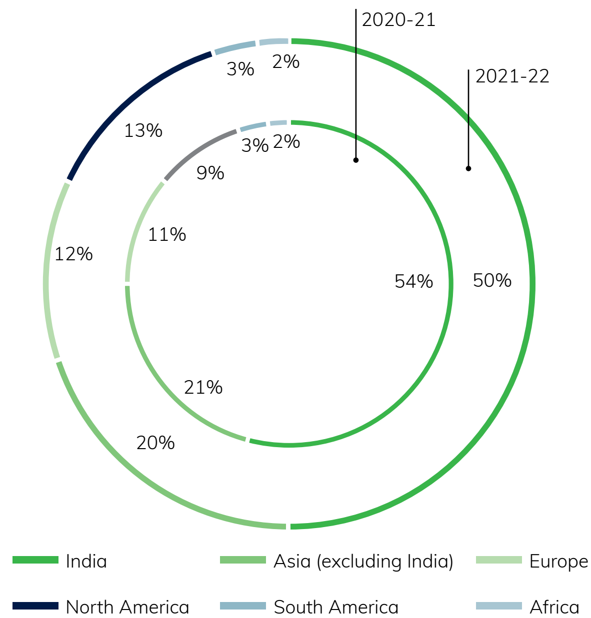
- Debottlenecked 18 products
- Executed five expansion projects
- Scaled up six new products

# Financial charts

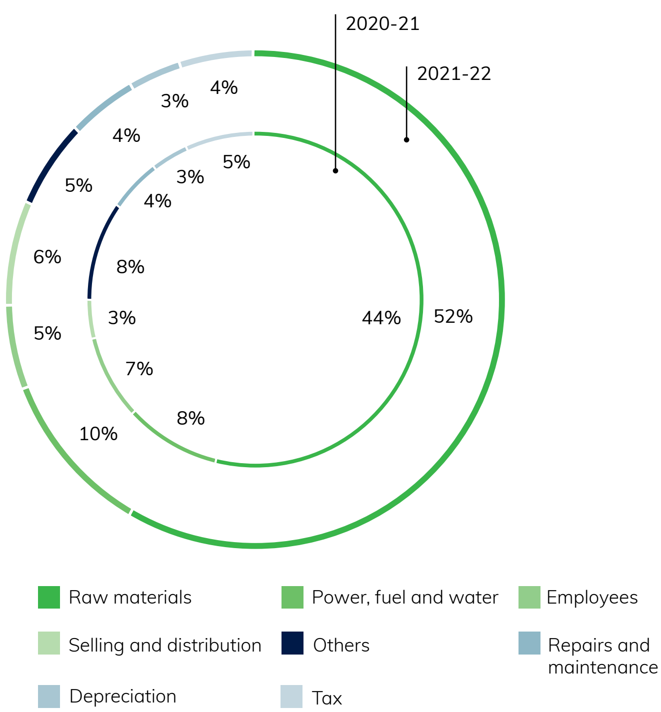
### Sales



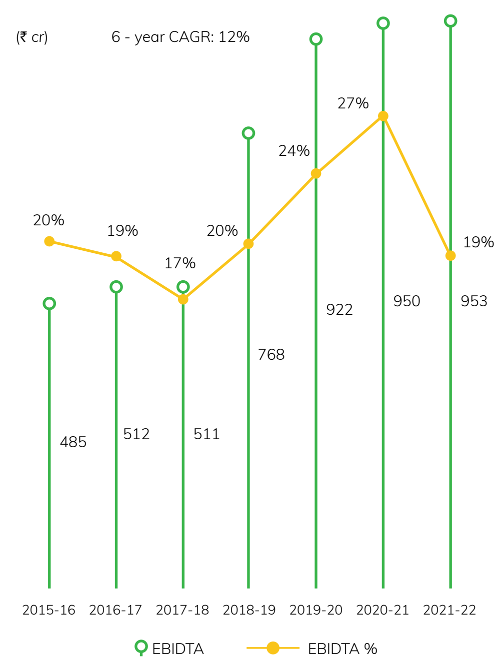

### Sales by geography




### Expenses as % of revenue

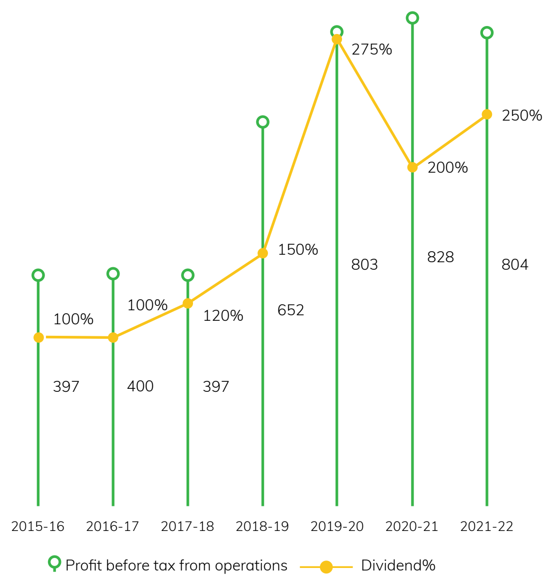



### Earnings before interest, taxes, depreciation and amortisation



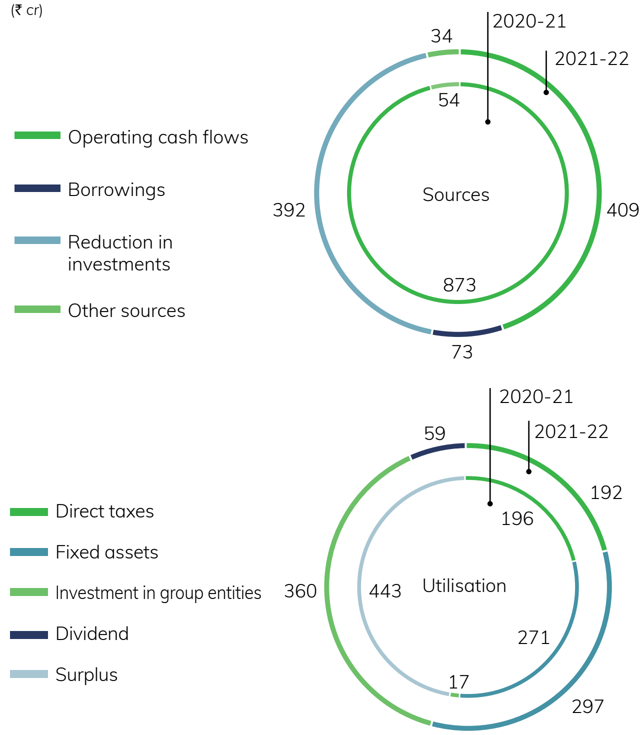
## Profit before tax from operations and dividend

(₹ cr) 6 - year CAGR: 12%



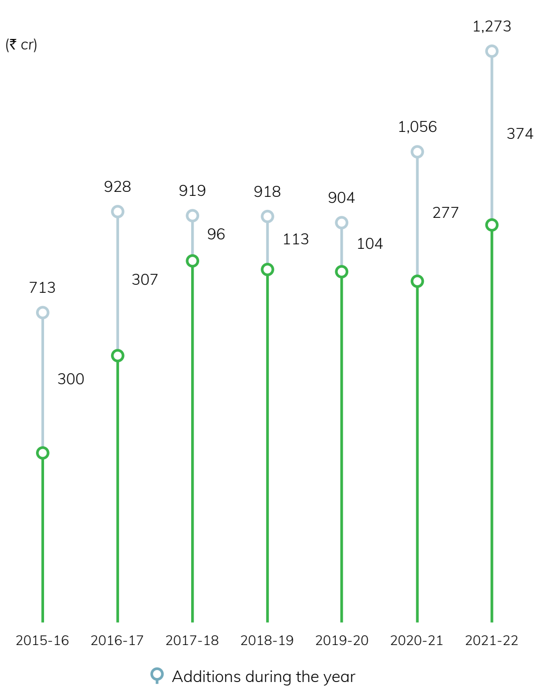

## Sources and utilisation of cash

(₹ cr)



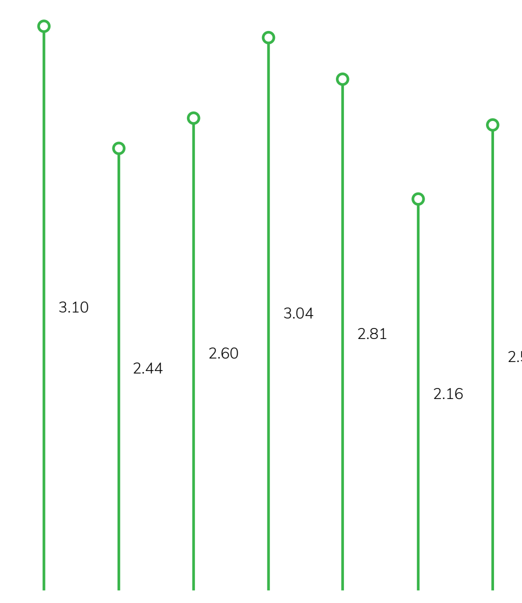

## Property, plant and equipment*

(₹ cr)




*as at March 31

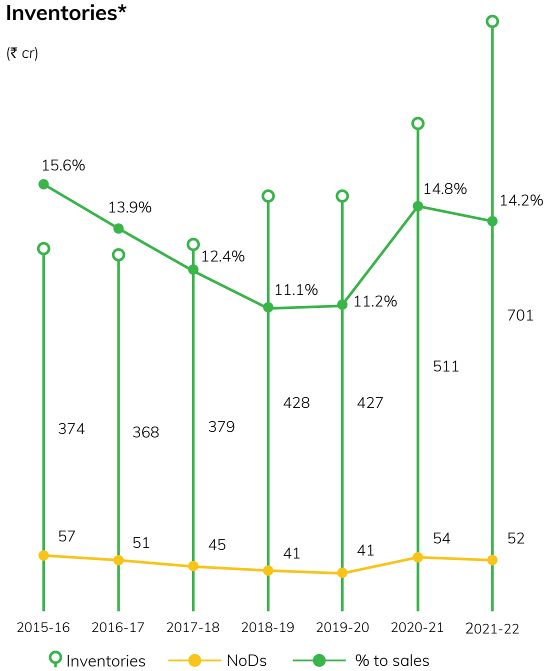
## Asset turnover ratio*




*Excluding capital work-in-progress

## Inventories*

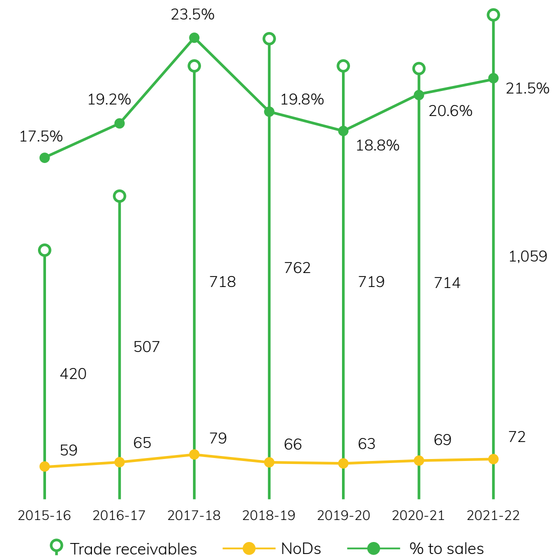
(₹ cr)




*as at March 31

## Trade receivables*

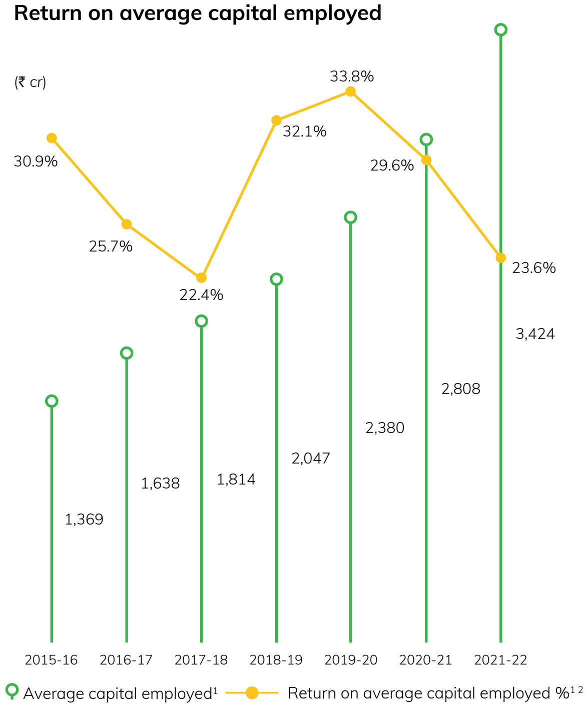
(₹ cr)




*as at March 31

## Return on average capital employed

(₹ cr)

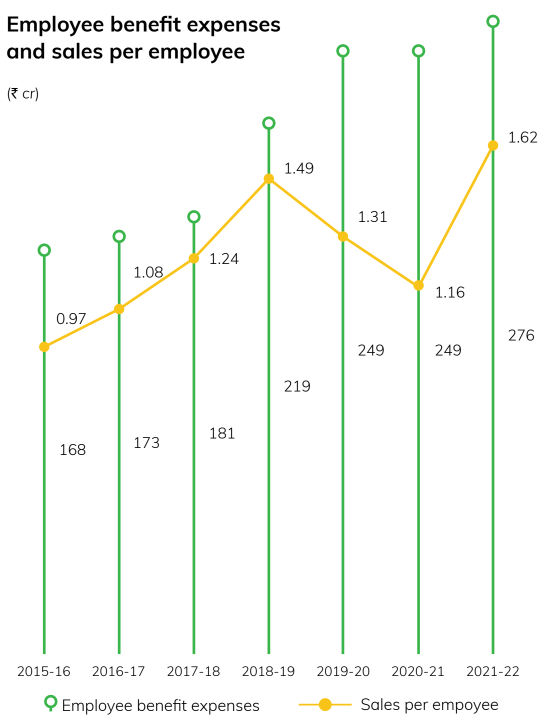



[1]Excluding capital work-in-progress I revaluation reserve

[2]Excluding exceptional I non-recurring items

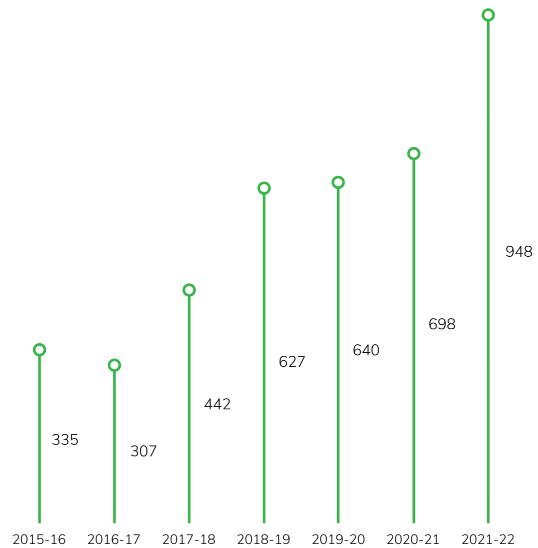
## Employee benefit expenses and sales per employee

(₹ cr)



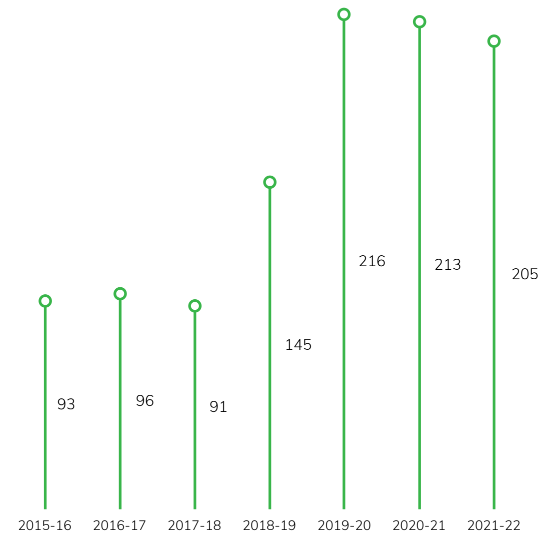
## Payment to the exchequer

(₹ cr)



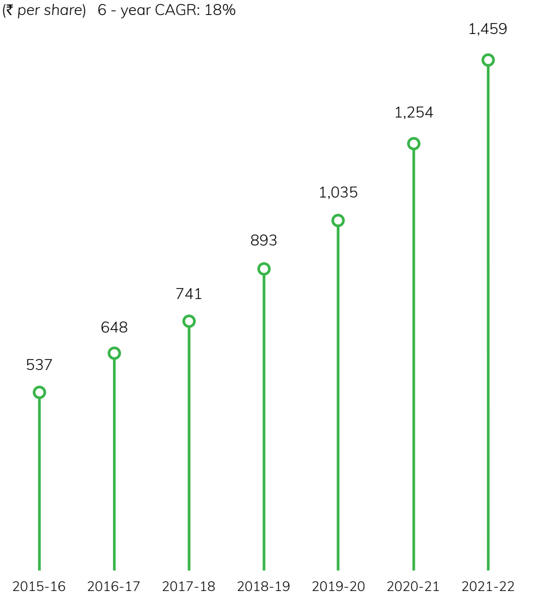

## Earnings per share

(₹ per share) 6 - year CAGR: 14%



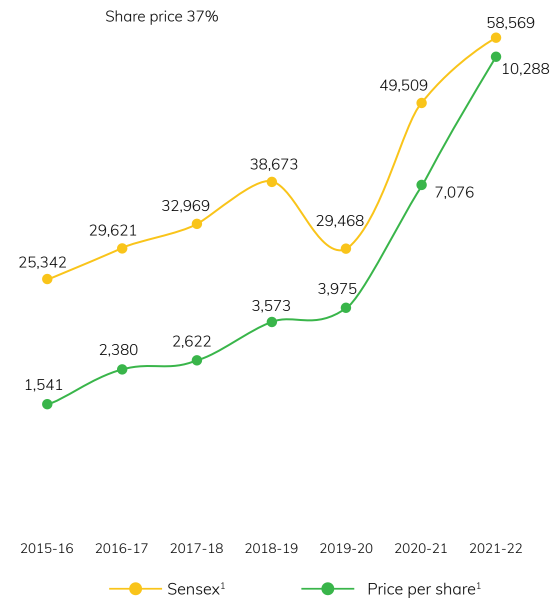

## Book value per share

(₹ per share) 6 - year CAGR: 18%




## BSE Sensex and share price

(₹ per share) 6 - year CAGR:
BSE sensex 15%
Share price 37%




[1]Year end closing prices

# Serving the society

The Founder of our Company devoted half a day every day of his adult life to serve the society. The business enterprises he established invariably contributed in serving the society. His legacy of perseverance and exemplary service has been the inspiration for team Atul ever since its inception in 1947.

**Strive not to be a success, but rather to be of value.**

**- Albert Einstein**

## Education

- Distributed writing material to 4,148 students of 34 schools in 17 villages
- Imparted relevant therapy sessions to 31 special children
- Issued scholarships to 21 needy students
- Promoted self-paced learning among 300 secondary students using tablets through a tablet laboratory
- Provided need-based support to 136 children living in difficult conditions

- Provided quality primary education to 4,446 children in 70 villages through trained Atul Adhyapikas
- Provided support to set up computer laboratories in two primary schools benefitting 468 students
- Strengthened digitalisation and created a portal to conserve about 80,000 ancient manuscripts
- Supported 3,393 students by enhancing educational practices in three schools
- Supported 192 students by improving educational practices in a tribal school

## Empowerment

- Assisted 837 families to avail benefits of government schemes
- Formed 29 self-help groups to empower 348 women
- Trained 805 youth in 13 vocational courses
- Trained 178 youth in collaboration with National Bank of Agriculture and Rural Development
- Supported 111 micro-entrepreneurs by providing training and toolkits

## Health

- Conducted 15 eye camps benefitting 5,876 patients; 4,727 patients were provided with spectacles
- Conducted 10 women-specific health camps benefitting 1,247 adolescent girls and women
- Developed 2,552 nutrition gardens in 79 villages benefitting 12,780 people
- Organised 35 blood donation camps in 21 villages; 3,258 units of blood were collected
- Supported 165 families to renovate their toilets

## Relief

- Assisted in setting up two COVID-19 care centers benefitting 1,400 patients
- Offered financial assistance to 20 COVID-19 patients
- Provided blood units to 140 poor and abandoned patients
- Provided financial assistance to 34 needy and critically ill patients
- Supported five hospitals with medical equipment to treat COVID-19 patients

## Infrastructure

- Built toilet blocks in three primary schools and in a village *faliya*
- Constructed community halls in two villages
- Developed four model *anganwadis* in three villages benefitting 140 children
- Erected the first floor of a school benefitting 300 students
- Renovated five schools benefitting 2,407 students

## Conservation

- Collected 259 tonnes of waste from which 196 tonnes were recycled
- Created 412 structures for conservation of soil and water at the Parnera hillock
- Planted 48,000 trees to preserve biodiversity
- Installed 15 kWh solar power plant generating 22,500 kWh energy annually in a tribal school at Navsari, benefiting 192 students
- Installed solar pumps consuming 44,520 kWh green energy annually, benefiting 38 farmers and 38 *agariya* family members

# Letter to the shareholders

Dear Shareholders,

Journey

Atul completed 70 years of operations on March 17, 2022. It all began in 1947, when Kasturbhai Lalbhai, its legendary Founder, arrived at the banks of river Par in Valsad district of Gujarat state and decided to buy the surrounding 1,000 plus acres of land within 90 seconds, saying to his son, Siddharth Kasturbhai, that the land was beckoning him. His foresight, depth in thinking and attention to details continue to inspire us and the Values he steadfastly adhered to – integrity, perseverance, discipline, trusteeship in business and larger purpose – are at the core of our Company and will remain so in the times ahead.

World economy

2021-22 may forever be remembered as one of the most uncertain fiscals because of initially the pandemic and subsequently the geopolitical conflict, both of which have caused immense suffering. Still, it is essential to find reasons to be hopeful. The World GDP at US$ 95 tn grew by 5.90% and that of India at US$ 2.95 tn grew by 9.50%. GDP of the USA, China, Japan, Germany and the UK remained ahead of India and grew between 2.40% and 8.10%. The three key lessons of 2021-22 – work with compassion, invest in people and be strong in local markets – are applicable to countries and companies alike, and our Company is imbibing them.

Chemicals and Pharmaceuticals[1]

World Chemical industry and Pharmaceutical industry are sized at US$ 5 tn and US$ 1.45 tn and they grew by 25% (mainly because of lower base) and 11% respectively in 2021. Indian Chemical industry and Pharmaceutical industry are sized at US$ 175 bn and US$ 45 bn and they grew by 29% and 8% respectively in 2021-22. The two industries account for 7% of the world GDP and provide an excellent potential to its constituents to improve, innovate and grow. Our Company has been a part of these industries and will review, rationalise and renew its product portfolio of 900 products and 400 formulations.

Sustainability

The concept of sustainability with its four pillars – environmental (protecting air, land and water), economic (maintaining high and stable growth), human (investing in health and education) and social (acknowledging interdependence and interconnectedness) – can be used to guide decisions at different levels. Our Company, in its own small way, has evolved, nurtured and promoted the concept in its operations since its inception and will strengthen it further. Transformation to climate neutrality is a central test of our time, and team Atul aims to see that such transformation and competitiveness are not mutually exclusive.

2021-22

Our Company achieved its highest (standalone) sales of ₹ 4,929 cr (from ₹ 3,460 cr in 2020-21) and profit before tax of ₹ 804 cr (from ₹ 773 cr in 2020-21 excluding one-time dividend). The performance indicators such as, EBIDTA and RoCE were down to 19% and 24% compared to 26%[2] and 28%[2], the earlier best achieved in 2020-21 and 2019-20 respectively. Our Company successfully completed its second buyback of own shares, this time of ₹ 70 cr (as against ₹ 50 cr the first time in 2020-21). The Directors recommended 250% dividend against 200% in 2020-21; the pay-out was 12%.

Investment and growth

Our Company completed investment of ₹ 374 cr during 2021- 22. The investment under implementation in the Company and its 100% subsidiary entity, Atul Products and 98% subsidiary entity, DPD was ₹ 1,600 cr. The above investment of ₹ 1,974 cr has the potential to add sales of ₹ 2,300 cr. The two retail businesses grew in volume by 17% and have a huge potential – we are confident to steadily and substantially expand their market reach in and outside India. 2021-22 and 2022-23 are two fiscals with the highest investment (so far) – our Company will continue to be prudent in its investment so as to remain resilient.

Subsidiary, joint venture and associate entities

Combined sales of Atul Bioscience (100%), Osia Infrastructure (100%), DPD (98%), Atul Rajasthan Date Palms (74%) Rudolf Atul Chemicals (50%), Anaven (50%) and Amal (49.85%) reached their highest (from ₹ 309 cr) to ₹ 518 cr. Profit before tax, however, increased from ₹ 42 cr to only ₹ 47 cr because of i) poor performance of Atul Bioscience, ii) continuing stabilisation of Atul Rajasthan Date Palms, iii) teething trouble in Anaven, iv) higher input cost in Amal and v) higher interest and depreciation in general. These entities will invest ₹ 100 cr in 2022-23. Their best days are still ahead.

Mandates

We continue to focus on the five enduring mandates. One, drive efficiency in manufacturing and other processes; two, pervade 'R&D' and 'information technology' in every function; three, become world-class in people productivity and remain lean in fixed costs; four, conserve cash even while growing and evolving the future and five, engage with customers on ideas with large potential. We implemented the learnings from the fire in one of the plants at Atul site on April 20, 2022. The assets and loss of profit were adequately insured. A new plant will be built, and meanwhile other actions are underway to gradually regain lost sales.

New sulphur black facility

**In the busyness of business – transportation of materials, plethora of meetings, movement of people, humming of plants, exchange of e-mails, construction of facilities – there is a need to have stillness and provide time for thinking to ensure that we bring enquiry, excellence, innovation and empowerment in all we do. This is what our Company encourages, endorses and expects from all its team members.**

<u>Atul Foundation</u>

Team Atul Foundation further expanded in terms of scope and size to serve communities, the extent of which remains unlimited. In 2021-22, the Foundation strengthened its Education and Empowerment programs: Kalyani School, Atul Vidyalaya, Atul Vidyamandir (PPP[3] project), Atul Institute of Vocational Excellence (PPP[3] project), four Industrial Training Institutes (PPP[3] project), Atul Adhyapika and other projects which in all impacted 22,400 students. Conservation, Health, Infrastructure and Relief programs impacted 68,000 people. You may like to go through the Annual Report 2021-22 and the website of the Foundation.

<u>People and organisation</u>

Operations, growth and people are three focus areas for our Company. The success in operations and growth, particularly in an environment described by acronyms such as VUCA (Volatile, Uncertain, Complex and Ambiguous) and BANI (Brittle, Anxious, Nonlinear and Incomprehensible) will depend on the competence and motivation of team Atul. It is therefore essential to put people in leadership positions who are self-aware and purpose-led in addition to other qualifications. We strengthened procurement, sales, marketing and business development structure to enhance accountability and customer centricity.

<u>Acknowledgements</u>

2021-22 was an unpredictable fiscal, continuing a trend from 2020-21 – I value the incredible commitment of every member of team Atul whose perseverance is delivering products and services and in turn supporting in success of the 4,000 plus customers and our Company. I thank the customers for helping us to continuously improve and grow. I am grateful to the distinguished Non-executive Directors on the Board who are guiding the Management with their experience and wisdom. I appreciate your trust – it puts even more onus on the Management to perform and make our Company grow.

<u>Way ahead</u>

Although it may be difficult to imagine in these times of hardship and uncertainty, there are boundless opportunities ahead, and I am encouraged because of all those who have continued to work hard even in face of many constraints. I am certain that we will collectively achieve much more together. Although our Company (and our country) will complete 75 years on September 05 (and August 15) this year, it is still early days for us – we will persevere for decisively improving the businesses we are in, launching sensibly related businesses and evolving ideas we have yet to imagine. In essence, we continue to be young at 75.

Sincerely,

Sunil Siddharth Lalbhai
**Chairman and Managing Director**

[1]size and growth figures are estimated
[2]excluding one-time dividend income
[3]public private partnership

# Board of Directors


**Rajendra Shah**

Mr Rajendra 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.

Mr Shah holds a degree in Law from the University of Mumbai and has passed Solicitor exam from the Honourable High Court at Mumbai.

**Sunil Lalbhai**

Mr Sunil Lalbhai is a Managing Director since June 1984 and the Chairman of the Board of the Company since August 2007.

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.



**Bansi Mehta**

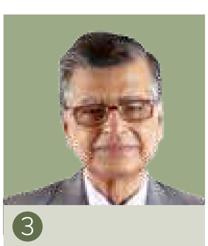
Mr Bansi Mehta is a Director of the Company since April 1992. He is the Chief Mentor in Bansi S Mehta & Co since 2009.

Mr Mehta holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the ICAI.

**Samveg Lalbhai**

Mr Samveg Lalbhai is a Director of the Company since January 2000 and a Managing Director of the Company since December 2000.

Mr Lalbhai holds a graduate degree in Commerce from Gujarat University.




**Susim Datta**

Mr Susim Datta is a Director of the Company since October 2002. He was the Chairman of Hindustan Unilever Ltd in India and Nepal from 1990 to 1996.

Mr Datta holds a postgraduate degree in Science and Technology from the University of Calcutta and is a Chartered Engineer.

**Bharathy Mohanan**

Mr Bharathy Mohanan joined the Company in August 1992 and is a Whole-time Director since January 2009. He is currently President, Utilities and Services and the Occupier of the Company.

Mr Mohanan holds a graduate degree in Engineering (Honours) from the University of Calicut.

1

**Srinivas Rangan**

Mr Srinivasa Rangan is a Director of the Company since July 2010. He is an Executive Director of Housing Development Finance Corporation Ltd.

Mr Rangan holds a graduate degree in Commerce from the University of Delhi and is an Associate Member of the ICAI and the ICMAI.

**Mukund Chitale**

Mr Mukund Chitale is a Director of the Company since October 2014. He is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co.

Mr Chitale holds a graduate degree in Commerce from the University of Mumbai and is a Fellow Member of the ICAI.

1 4

5 6

**Gopi Kannan Thirukonda**

Mr Gopi Kannan Thirukonda joined the Company in October 1993 and is a Whole-time Director since October 2014. He is currently the Chief Financial Officer.

Mr Gopi Kannan holds a graduate degree in Science from the University of Madras and a postgraduate diploma in management from IIMA. He is a Fellow Member of the ICAI, the ICMAI and the ICSI.

**Shubhalakshmi Panse**

Ms Shubhalakshmi Panse is a Director of the Board since March 2015. She was the Chairperson and Managing Director of Allahabad Bank Ltd.

Ms Panse holds a postgraduate degree in Science from Pune University and a postgraduate degree in Business Administration from Drexel University.

2

1 3 4 5 6

**Baldev Arora**

Mr Baldev Arora is a Director of the Board since April 2015. He was the Chairman of Cyanamid Agro Ltd and Chairman and Managing Director of Wyeth Lederle Ltd.

Mr Arora holds a graduate degree in Mechanical Engineering from the University of Punjab.

**Board Committees**

1. Audit Committee
2. Corporate Social Responsibility Committee
3. Investment Committee
4. Nomination and Remuneration Committee
5. Risk Management Committee
6. Stakeholders Relationship Committee

Chairperson    Member

# Directors' Report

Dear Members,

The Board of Directors (Board) presents the annual report of Atul Ltd together with the audited Financial Statements for the year ended March 31, 2022.

## 01. Financial results

(₹ cr)

| | 2021-22 | 2020-21 |
|---|---|---|
| Sales | 4,929 | 3,460 |
| Revenue from operations | 4,993 | 3,512 |
| Other income | 90 | 104 |
| Total revenue | 5,083 | 3,616 |
| Profit before tax | 804 | 828 |
| Tax expenses | (196) | (197) |
| Profit for the year | 608 | 631 |
| Balance in retained earnings at the beginning of the year | 3,143 | 2,513 |
| Transfer from comprehensive income | (28) | (1) |
| Dividend | (59) | - |
| Balance in retained earnings at the end of the year | 3,664 | 3,143 |

## 02. Performance

Sales increased by about 42% from ₹ 3,460 cr to ₹ 4,929 cr mainly due to higher price levels (of both inputs and finished goods) in 2021-22 and also because of the low sales in Q1 of 2020-21 on account of the COVID-19 pandemic. Sales in India increased by about 32% from ₹ 1,885 cr to ₹ 2,479 cr. Sales outside India increased by about 56% from ₹ 1,575 cr to ₹ 2,450 cr. Profit before tax decreased by 3% from ₹ 828 cr to ₹ 804 cr, mainly due to non-recurring dividend income of ₹ 55 cr received in 2020-21.

Sales of Life Science Chemicals (LSC) segment increased by 29% from ₹ 1,124 cr to ₹ 1,445 cr, mainly because of higher sales prices and volume in the sub-segments Crop Protection and Pharmaceuticals; the EBIT decreased by about 4% from ₹ 199 cr to ₹ 191 cr. Sales of Performance and Other Chemicals (POC) segment increased by about 49% from ₹ 2,336 cr to ₹ 3,484 cr, mainly because of higher sales volume in three sub-segments; the EBIT increased by about 2% from ₹ 574 cr to ₹ 586 cr. More details are given in the Management Discussion and Analysis.

## 03. Dividend and buy-back of equity shares

The Board recommends payment of dividend of ₹ 25 per equity share of ₹ 10 each fully paid-up.

During 2021-22, the Board approved ₹ 70 cr for buy-back of equity shares through the open market stock exchange route to return surplus funds to the members of the Company and to improve earnings per share by a decrease in the equity base, thereby leading to an long-term increase in value for the members. Till date 53,748 equity shares are bought back at an aggregate consideration of ₹ 52.72 cr. The buy-back is still in process.

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

Information required under Section 134 (3)(m) of the Companies Act, 2013 (the Act) read with Rule 8 (3) of the Companies (Accounts) Rules 2014 as amended from time to time, forms a part of this report, which is given at page number 30.

## 05. Insurance

The Company has taken adequate insurance to cover the risks to its employees, property (land and buildings), plant, equipment, other assets and third parties.

## 06. Risk management

Risk management is an integral part of business practice of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. With the help of a reputed international consultancy firm, the Company has developed and implemented a comprehensive risk management system to ensure that risks to the continued existence of the Company as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered. The risk management system is relevant to business reality, pragmatic and simple and involves the following:

i) Risk identification and definition – Focuses on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.

ii) Risk classification – Focuses on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes, generating the root causes and a clear understanding of risk inter-relationships.

iii) Risk assessment and prioritisation – Focuses on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and the existing mitigation controls.

iv) Risk mitigation – Focuses on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

v) Risk reporting and monitoring – Focuses on providing to the Audit Committee and Board periodic information on risk profile evolution and mitigation plans.

### Roles and responsibilities

Governance

The Board has approved the Risk Management Policy of the Company. The Company has laid down procedures to inform the Board on i) to iv) listed above. The Audit Committee | Risk Management Committee periodically reviews the risk management system and gives its recommendations, if any, to the Board.

The Board reviews and guides the Risk Management Policy.

Implementation

Implementation of the Risk Management Policy is the responsibility of the Management. It ensures functioning of the risk management system as per the guidance of the Audit Committee | Risk Management Committee. The Company has a risk management oversight structure in which each sub-segment has a Chief Risk and Compliance Officer.

The Management at various levels takes accountability for risk identification, appropriateness of risk analysis, and timeliness as well as adequacy of risk mitigation decisions at both individual and aggregate levels. It is also responsible for the implementation, tracking and reporting of defined mitigation plans, including periodic reporting to the Audit Committee and Board.

## 07. Internal financial controls

The internal financial controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements. These include policies and procedures that:

i) pertain to the maintenance of records, which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company,

ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures are being made only in accordance with authorisations of the Management and Directors of the Company,

iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the assets that can have a material effect on the Financial Statements. A reputed international consultancy firm has reviewed the adequacy of the internal financial controls with respect to the Financial Statements.

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2022, and the Board believes that the controls are adequate.

## 08. Fixed deposits

During 2021-22, the Company did not accept any fixed deposits.

## 09. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given at page numbers 142 and 144.

## 10. Subsidiary, joint venture and associate companies | entities and joint operation

During 2021-22, Atul Healthcare Ltd, Atul Paints Ltd and Sehat Foods Ltd were incorporated as wholly-owned subsidiary companies of the Company. Osia Infrastructure Ltd became a wholly-owned subsidiary of the Company. There were no other changes in the Subsidiary, joint venture and associate companies | entities and joint operation which were reported earlier.

## 11. Related party transactions

All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at page number 156. No transactions were entered into by the Company that required disclosure in Form AOC-2.

## 12. Corporate social responsibility

Composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR Report are given at page number 34.

## 13. Annual return

Annual return for 2021-22 is available on the website of the Company at:
www.atul.co.in/investors/annual-general-meetings/

## 14. Auditors

### Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants (DHS) were appointed as the Statutory Auditors of the Company at the 40th Annual General Meeting (AGM) held on July 28, 2017, until the conclusion of the 45th AGM. The first term of five years of DHS is expiring at the ensuing AGM. Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder, the Company can reappoint DHS for a second term of five years. Accordingly, based on the recommendation of the Audit Committee, the Board at its meeting held on April 26, 2022, recommended the reappointment of DHS, as the Statutory Auditors of the Company for second term of five years. DHS will hold the office for a period of five consecutive years from the conclusion of the 45th AGM of the Company till the conclusion of the 50th AGM to be held in the year 2027, subject to the approval of the members of the Company at the ensuing AGM. DHS have given their consent to act as the Auditors and confirmed their eligibility for reappointment.

The Auditor's Report for the financial year ended March 31, 2022, does not contain any qualification, reservation or adverse remark. The report is enclosed with the Financial Statements in this annual report.

### Cost Auditors

The Company has maintained cost records as required under the Act. The members ratified the appointment of R Nanabhoy & Co as the Cost Auditors for 2021-22 on July 31, 2021.

### Secretarial Auditors

SPANJ & Associates, Company Secretaries, continue to be the Secretarial Auditors for 2021-22 and their report is given at page number 40.

## 15. Directors' responsibility statement

Pursuant to Section 134(5) of the Act, the Directors confirm that, to the best of their knowledge and belief:

15.1. In preparation of the annual accounts for the financial year ended March 31, 2022, the applicable accounting standards have been followed and there are no material departures.

15.2. The accounting policies were selected and applied consistently and judgements and estimates thus made were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period.

15.3. Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

15.4. The attached annual accounts for the year ended March 31, 2022, were prepared on a going concern basis.

15.5. Adequate internal financial controls to be followed by the Company were laid down and they were adequate and operating effectively.

15.6. Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

## 16. Directors

16.1. Appointments | Reappointments | Cessations

i) According to Article 86 of the Articles of Association of the Company, Mr Gopi Kannan Thirukonda retires by rotation and being eligible, offers himself for reappointment at the AGM scheduled on July 29, 2022.

ii) Subject to the approval of the members in the AGM:

a) Mr Bharathy Mohanan was reappointed as a Whole-time Director from January 01, 2023 till May 25, 2025.

b) Mr Pradeep Banerjee was appointed as an Independent Director effective May 01, 2022, for a period of five years.

In the opinion of the Board, the Independent Directors possess integrity, rich experience and expertise relevant to the Company.

16.2. Policy on appointment and remuneration is displayed on the website of the Company at www.atul.co.in/investors/policies

The salient features of the Policy are as under:

16.2.1. Appointment

While recommending appointment of Directors, the Nomination and Remuneration Committee considers the following factors:

i) Qualification: well-educated and experienced in senior leadership positions in industry | profession

ii) Trait: positive attributes and qualities

iii) Independence: criteria prescribed in Section 149(6) of the Act for the Independent Directors, including no pecuniary interest and conflict of interest

16.2.2. Remuneration of the Non-executive Directors

i) Sitting fees: up to ₹ 35,000 for attending a Board, Committee and any other meeting

ii) Commission: up to 1% of net profit as may be decided by the Board based on the following factors:

a) Membership of committee(s)

b) Profit

c) Attendance

d) Category (Independent or Non-executive)

16.2.3. Remuneration of the Executive Directors

This is given under para number 17.2.

16.3. Criteria and method of annual evaluation

16.3.1. The criteria for evaluation of performance of

i) the Executive Directors, ii) the Non-executive Director (other than Independent Directors), iii) the Independent Directors, iv) the Chairman, v) the Committees of the Board and vi) the Board as a whole are summarised in the table at the end of the Directors' Report at page number 29.

16.3.2. The Independent Directors have carried out annual:

i) review of performance of the Executive Directors

ii) review of performance of the Non-executive Director (other than Independent Directors)

iii) review of performance of the Chairman and assessment of quality, quantity and timeliness of the flow of information to the Board

iv) review of performance of the Board as a whole

16.3.3. The Board has carried out annual evaluation of performance of:

i) its committees, namely, Audit, Corporate Social Responsibility, Investment, Nomination and Remuneration, Risk Management and Stakeholders Relationship

ii) the Independent Directors

The templates for the above purpose were circulated in advance for feedback of the Directors.

16.4. Familiarisation programs for the Independent Directors

The Company has familiarisation programs for its Independent Directors. It comprises, amongst others, presentations by and discussions with the Senior Management on the nature of the industries in which it operates, its vision and strategy, its organisation structure and relevant regulatory changes. A visit is organised to one or more of its manufacturing sites. Details of the familiarisation programs are also available at www.atul.co.in/about/directors/

## 17. Key Managerial Personnel and other employees

17.1. Appointments and cessations of the Key Managerial Personnel

There were no appointments | cessations of the Key Managerial Personnel during 2021-22.

17.2. Remuneration

The Remuneration Policy of the Key Managerial Personnel and other employees consists of the following:

17.2.1. Components:

i) Fixed pay

a) Basic salary

b) Allowances

c) Perquisites

d) Retirals

ii) Variable pay

17.2.2. Factors for determining and changing fixed pay:

i) Existing compensation

ii) Education

iii) Experience

iv) Salary bands

v) Performance

vi) Market benchmark

17.2.3. Factors for determining and changing variable pay:

i) Business performance

ii) Individual performance

iii) Grade

## 18. Analysis of remuneration

The information required pursuant to Sections 134 (3)(q) and 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms a part of this Report. However, as per the provisions of Sections 134 and 136 of the Act, the Report and the Accounts are being sent to the members and others entitled thereto excluding the information on particulars of employees, which are available for inspection by the members.

Any members interested in obtaining a copy of such statement may write to the Company Secretary at the registered office of the Company.

## 19. Management Discussion and Analysis

The Management Discussion and Analysis covering performance of the two reporting segments, namely, LSC and POC, is given at page number 44.

## 20. Corporate Governance Report

20.1. Declaration by the Independent Directors

The Independent Directors have given declarations under Section 149(6) of the Act.

20.2. Report

The Corporate Governance Report along with the certificate from the Practicing Company Secretary regarding compliance of the conditions of Corporate Governance pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given at page number 51. Details about the number of meetings of the Board held during 2021-22 are given at page number 56. The composition of the Audit Committee is given at page number 59.

All the recommendations given by the Audit Committee were accepted by the Board.

20.3. Whistleblowing Policy

The Board, on the recommendation of the Audit Committee, had approved a vigil mechanism (Whistleblowing Policy). The Policy provides an independent mechanism for reporting and resolving complaints pertaining to unethical behaviour, actual or suspected fraud and violation of the code of conduct of the Company and is displayed on the website of the Company at www.atul.co.in/investors/policies

No personnel have been denied access to the Audit Committee.

20.4. Secretarial standards

Secretarial standards as applicable to the Company were followed and complied with during 2021-22.

20.5. Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder are given at page number 64.

## 21. Business Responsibility and Sustainability Report

As per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility and Sustainability Report is given at page number 71.

## 22. Dividend Distribution Policy

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is displayed on the website of the Company at www.atul.co.in/investors/policies

## 23. Fire incident

An incident of fire occurred on April 20, 2022 in one of the plants at Atul, Gujarat. There was no fatality or injury to any person, and damage was restricted to the affected plant. The Company is in the process of assessing the impact of the fire on the plant and related operations and filing necessary claims with the insurance company.

## 24. Acknowledgements

The Board expresses its sincere thanks to all the employees, customers, suppliers, lenders, regulatory and government authorities, stock exchanges and investors for their support.

For and on behalf of the Board of Directors

(Sunil Lalbhai)

Mumbai — **Chairman and Managing Director**

April 26, 2022 — DIN: 00045590

| Evaluation of | Evaluation by | Criteria |
|---|---|---|
| Executive Director | Independent Directors | Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Transparency, Communication, Business leadership, People leadership, Investor relations |
| Non-executive Director (other than Independent Director) | Independent Directors | Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Independence, Communication, Preparedness, Participation and Value addition |
| Independent Director | All other Board Members | Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Independence, Communication, Preparedness, Participation and Value addition |
| Chairman | Independent Directors | Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Impartiality, Communication, Business leadership, People leadership and Meeting conduct |
| Committees | Board Members | Composition, Process and Dynamics |
| Board as a whole | Independent Directors | Composition, Process and Dynamics |

# Annexure to the Directors' Report

Index



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

### 1.1. Conservation of energy

1.1.1. Measures taken:

i) Control of steam pressure of steam ejectors

ii) Installation of energy efficient cooling water and chilled water pumps

iii) Recovery of heat from steam condensate

1.1.2. Additional investments and proposals being implemented:

i) Completion of ultrasonic leak detection audit of air

ii) Recovery of steam condensate from distribution headers and utilising as boiler feed water

iii) Replacement of conventional agitators by energy efficient agitators

1.2. Technology absorption

1.2.1. Research and development

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

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

ii) Benefits derived from R&D:

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

iii) Future plan:

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

iv) R&D expenditure

(₹ cr)

| Capital | Recurring | Total | Total R&D expenditure as a percentage of total sales |
|---|---|---|---|
| 3.38 | 29.01 | 32.39 | 0.66% |

1.2.2. Technology absorption, adaptation and innovation

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

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

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

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

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

The Company did not import any technology.

1.3. Foreign exchange earnings and outgo

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

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

*Free On Board (FOB) value

1.3.2. Total foreign exchange earnings and outgo

(₹ cr)

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

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

### 2.1. Operational

(₹ cr)

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

2.2. Non-operational

(₹ cr)

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

AED: United Arab Emirate Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, INR: Indian Rupee, US$: United States Dollar

Rate of exchange considered as on March 31, 2022 are 1 AED = ₹ 20.67, 1 BRL = ₹ 16.05, 1 CNY = ₹ 11.97, 1 Euro = ₹ 84.14, 1 GBP = ₹ 99.42 1 US$ = ₹ 75.78

## 3. Corporate social responsibility

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

3.1.1. Policy

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

3.1.2. Programs and scope

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

i) Education and Empowerment

- a) Establish and | or support educational institutes
- b) Establish and | or support vocational institutes
- c) Enhance education in rural areas
- d) Promote integrated development of rural | tribal areas
- e) Promote sustainable livelihood opportunities
- f) Support needy and | or meritorious students

ii) Health and Relief

- a) Eradicate hunger and malnutrition
- b) Establish and | or improve medical care centres
- c) Promote health, hygiene and sanitation
- d) Promote sports and fitness
- e) Support deserving | needy patients
- f) Support during natural calamities

iii) Infrastructure and Conservation

- a) Conserve natural resources
- b) Develop and | or improve rural utilities
- c) Develop and | or improve rural amenities
- d) Protect flora and fauna
- e) Protect and | or promote art and culture
- f) Restore sites of historical importance

3.2. Composition of the CSR Committee:

| No. | Name of Directors | Designation \| Nature of Directorship | Number of meetings held during the year | Number of meetings attended during the year |
|---|---|---|---|---|
| 1. | Shubhalakshmi Panse | Chairperson \| Independent Director | 1 | 1 |
| 2. | Sunil Lalbhai | Member \| Executive Director | 1 | 1 |
| 3. | Bharathy Mohanan | Member \| Executive Director | 1 | 1 |

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

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

3.4. Impact assessment:
not applicable

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

(₹ *lakhs*)

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

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

₹ 74,307.50 lakhs

3.7. CSR obligation:

(₹ *lakhs*)

| | | |
|---|---|---|
| a) | 2% of average net profit of the Company as per Section 135(5) | 1,486.15 |
| b) | Surplus arising out of the CSR projects or programs or activities of the previous financial years | - |
| c) | Amount required to be set-off for the financial year | - |
| d) | Total CSR obligation for the financial year [a) + b) + c)] | 1.486.15 |

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

(₹ *lakhs*)

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

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

(₹ *lakhs*)

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

*Atul Rural Development Fund

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

(₹ *lakhs*)

| No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area | Location of the project | | Amount spent for the project | Amount transferred to unspent CSR Account for the Project as per Section 135 (6) | Mode of implementation - Direct | Mode of implementation - through implementing agency | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | | Name | CSR registration number |
| 01. | Improvement of teaching methodology for primary school children - Adhyapika | promoting education | Yes | Gujarat | Valsad | 63.00 | NA | No | Atul Foundation | CSR00000635 |
| 02. | Conservation of manuscripts | promoting education | Yes | Gujarat | Ahmedabad | 50.00 | NA | No | Atul Foundation | CSR00000635 |
| 03. | Enhancement of educational practices in Kalyani Shala | promoting education | Yes | Gujarat | Valsad | 36.45 | NA | No | Atul Foundation | CSR00000635 |
| 04. | Support to develop a school in a tribal area | promoting education | Yes | Gujarat | Navsari | 13.00 | NA | No | Atul Foundation | CSR00000635 |
| 05. | Support to develop a school in an economically deprived area | promoting education | No | West Bengal | Murshidabad | 12.50 | NA | No | Atul Foundation | CSR00000635 |
| 06. | Support to tribal children in Atul Vidyamandir | promoting education | Yes | Gujarat | Valsad | 12.30 | NA | No | Atul Foundation | CSR00000635 |
| 07. | Provision of education kits to children | promoting education | Yes | Gujarat | Valsad | 12.30 | NA | No | Atul Foundation | CSR00000635 |
| 08. | Introduction of digital education through tablet laboratory | promoting education | Yes | Gujarat | Valsad | 6.10 | NA | No | Atul Foundation | CSR00000635 |
| 09. | Support to needy \| special children | promoting education | Yes | Gujarat | Valsad | 5.15 | NA | No | Atul Foundation | CSR00000635 |
| 10. | Provision of scholarships to needy and meritorious students | promoting education | Yes | Gujarat | Valsad | 4.80 | NA | No | Atul Foundation | CSR00000635 |
| 11. | Contribution to publish books on Indian culture \| philosophy | promoting education | No | Rajasthan | Jaipur | 3.50 | NA | No | Atul Foundation | CSR00000635 |
| 12. | Support to children with special needs | promoting education | Yes | Gujarat | Bharuch | 1.40 | NA | No | Atul Foundation | CSR00000635 |
| 13. | Promotion of learning and life skills among children | promoting education | No | Karnataka | Bangalore | 1.00 | NA | No | Atul Foundation | CSR00000635 |

(₹ *lakhs*)

| No. | Name of the project | Item from the list of activities in Schedule VII to the Act | Local area | Location of the project | | Amount spent for the project | Amount transferred to unspent CSR Account for the Project as per Section 135 (6) | Mode of implementation - Direct | Mode of implementation - through implementing agency | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | State | District | | | | Name | CSR registration number |
| 14. | Skills training to youth as apprentices | enhancing livelihood | Yes | Gujarat | Valsad | 95.01 | NA | Yes | - | - |
| 15. | Creation of livelihood opportunities for tribal families by providing cows | enhancing livelihood | Yes | Gujarat | Valsad | 35.40 | NA | No | Atul Foundation | CSR00000635 |
| 16. | Empowerment of women \| youth through various vocational training courses | enhancing vocational skills | Yes | Gujarat | Valsad | 27.65 | NA | No | Atul Foundation | CSR00000635 |
| 17. | Development of micro-entrepreneurs to provide sustainable livelihood | enhancing livelihood | Yes | Gujarat | Valsad | 12.40 | NA | No | Atul Foundation | CSR00000635 |
| 18. | Skill development of youth through vocational training with NABARD | enhancing vocational skills | Yes | Gujarat | Valsad | 11.60 | NA | No | Atul Foundation | CSR00000635 |
| 19. | Empowerment of women through self-help groups | empowering women | Yes | Gujarat | Valsad | 10.50 | NA | No | Atul Foundation | CSR00000635 |
| 20. | Promotion of health and well-being of adolescents and women | promoting health | Yes | Gujarat | Valsad | 17.80 | NA | No | Atul Foundation | CSR00000635 |
| 21. | Enhancement of rural health through health camps | promoting health | Yes | Gujarat | Valsad | 12.50 | NA | No | Atul Foundation | CSR00000635 |
| 22. | Retrofitting of individual household toilets | promoting health | Yes | Gujarat | Valsad | 12.00 | NA | No | Atul Foundation | CSR00000635 |
| 23. | Promotion of nutrition garden | promoting health | Yes | Gujarat | Valsad | 4.75 | NA | No | Atul Foundation | CSR00000635 |
| 24. | Provision of blood units to the needy and deserted patients | promoting health | Yes | Gujarat | Bharuch | 2.40 | NA | No | Atul Foundation | CSR00000635 |

(₹ *lakhs*)

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

d) Amount spent in administrative overheads:
₹ 68.60 lakhs

e) Amount spent on impact assessment:
nil

f) Total amount spent for the financial year [b)+c)+d)+e)]:
₹ 1,489.10 lakhs

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

(₹ *lakhs*)

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

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

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

(₹ lakhs)

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

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

(₹ lakhs)

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

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

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

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

| Chairperson CSR Committee | Chairman and Managing Director |
|---|---|
| Shubhalakshmi Panse<br>DIN: 02599310 | Sunil Lalbhai<br>DIN: 00045590 |

## 4. Secretarial Audit Report

**Form number MR – 3**
**Secretarial Audit Report**

For the financial year ended March 31, 2022

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

To the members of Atul Ltd

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

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

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

i. The Companies Act, 2013 (Act) and the rules made thereunder;

ii. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;

iii. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;

iv. The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;

v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):

   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

   b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

   c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018

   d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

   e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021

   f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client

   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021

   h. The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

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

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

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

i. Secretarial standards issued by the Institute of Company Secretaries of India.

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

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

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

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

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

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

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

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)
**Partner**
Membership number: F 3544
Certificate of practice number: 2356
UDIN: F003544D000206824
Peer review certificate number: 702 | 2020

Ahmedabad
April 26, 2022

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

## Annexure – I to the Secretarial Audit Report

To the members of Atul Ltd

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

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

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

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)
**Partner**
Membership number: F 3544
Certificate of practice number: 2356
UDIN: F003544D000206824
Peer review certificate number: 702 | 2020

Ahmedabad
April 26, 2022

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

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

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

# Management Discussion and Analysis

| Ratios | 2021-22 | 2020-21 | Increase \| (Decrease) | Remark |
|---|---|---|---|---|
| Operating profit margin (%) | 19.33 | 27.46 | (30%) | Higher input and freight costs have reduced the margins |
| Net profit margin (%) | 12.33 | 18.23 | (32%) | |

Atul Ltd has identified two reporting segments, namely, Life Science Chemicals and Performance and Other Chemicals.

## Life Science Chemicals segment

| | 2021-22 | 2020-21 | % change |
|---|---|---|---|
| Sales (₹ cr) | 1,445 | 1,124 | 29 |
| Share in total sales (%) | 29 | 32 | (3) |

Life Science Chemicals segment consists of three sub-segments, namely, Crop Protection, Pharmaceuticals and Intermediates and Aromatics - I.

## CROP PROTECTION

**Product groups: Herbicides, Insecticides, Fungicides, Others**

The products falling under these product groups are used by customers belonging to the Agriculture and Crop Protection Chemicals industries. The product groups comprise 34 products and 70 formulations. 2, 4-D, Indoxacarb, Isoprothiolane and Sulfonylurea herbicides are some of the key products.

During 2021-22, sales increased by 50% from ₹ 618 cr to ₹ 924 cr. Sales in India increased by 27% from ₹ 295 cr to ₹ 374 cr; bulk sales in India increased by 39% from ₹ 142 cr to ₹ 198 cr, whereas retail sales, which are currently only in India, increased by 15% from ₹ 153 cr to ₹ 176 cr. Sales outside India increased by 70% from ₹ 323 cr to ₹ 550 cr and formed 60% of the total. Growth on account of volume was 17%. The Company completed three projects and undertook two projects for implementation.

The size of the world Crop Protection Chemicals industry is estimated at US$ 65 bn and projected to reach value of US$ 73.8 bn by 2026, growing at about 2.5%. The growth of this market is attributed to the increasing need for food security of growing population. The world Food and Agribusiness estimated at around

US$ 5 tn fell to US$ 3.5 tn in 2020-21 due to the COVID-19 pandemic. This is seen as a temporary dip, as the caloric demand will continue to rise and the crop demand for human consumption and animal feed is expected to double by 2050.

The Company will participate in this growth by - i) improving internal efficiencies and working capital management, ii) promoting retail sales, iii) expanding the product portfolio and securing more registrations and iv) evaluating investment opportunities in vertical integration.

Floods or famines may adversely affect the demand. Fluctuations in foreign exchange may impact sales realisations. Given that some of these chemicals can be hazardous, it is essential to take due care in their manufacture and use. Registration costs are high in certain countries. Also, high cost of some of the main raw materials can impact the profitability of the business.

## PHARMACEUTICALS AND AROMATICS – I

**Product groups: API intermediates, Active Pharmaceutical Ingredients, Others**

The products falling under these product groups are used by customers belonging to the Pharmaceutical industry for various therapeutic categories such as antidepressant, antidiabetic, anti-infective, antifungal, antiretroviral and cardiovascular. The product groups comprise 85 products. Dapsone and acyclovir are some of the active pharmaceutical ingredients (APIs) while carbonates, chloroformates and carbamoyl chloride derivatives are some of the key intermediates.

During 2021-22, sales increased by 2% from ₹ 498 cr to ₹ 509 cr. Sales in India increased by 2% from ₹ 300 cr to ₹ 307 cr. Sales outside India increased by 2% from ₹ 198 cr to ₹ 203 cr and formed 40% of the total. Sales of Atul Bioscience Ltd (ABL), a 100% subsidiary company, decreased from ₹ 143 cr to ₹ 126 cr. The Company completed one project at the Atul site.

The size of the world Pharmaceutical industry is estimated at US$ 1.45 tn, of which the conventional pharmaceutical segment is estimated to be US$ 1.1 tn. Of this, the size of the world API industry is estimated to be US$ 160 bn. Biologics are estimated to contribute about 52% of sales of top 100 products by 2022, while oncology will remain the largest therapy area with sales growing at about 12.7% CAGR. Worldwide pharmaceutical R&D spend is estimated to grow by 2.4% CAGR to US$ 181 bn in 2022.

There are 20 major companies that dominate the world marketplace. The main user industry, namely, Pharmaceutical is doing well, especially the vertically integrated pharma companies, and meeting the expectations of mankind. The Company along with ABL will participate in this growth by – i) increasing manufacturing efficiencies, II) debottlenecking and adding capacities, iii) introducing new products and iv) forming long-term strategic alliances with other companies.

The price and demand of some products have seen inconsistency and are likely to vary widely over the short-term. Fluctuations in foreign exchange may impact sales.

## Performance and Other Chemicals segment

| | 2021-22 | 2020-21 | % change |
|---|---|---|---|
| Sales (₹ cr) | 3,484 | 2,336 | 49 |
| Share in total sales (%) | 71 | 68 | 3 |

Performance and Other Chemicals segment consists of four sub-segments, namely, Aromatics - II, Bulk Chemicals and Intermediates, Colors and Polymers.

## AROMATICS – II

**Product groups: Intermediates, Perfumery, Others**

The products falling under these product groups are mainly used by customers belonging to Fragrance and Personal Care industries. The product groups comprise about 37 products. *para*-*Cresol*, *para-Anisicaldehyde* and *para-Cresidine* are some of the key products.

During 2021-22, sales increased by 40% from ₹ 562 cr to ₹ 786 cr. Sales in India increased by 19% from ₹ 211 cr to ₹ 251 cr. Sales outside India increased by 52% from ₹ 351 cr to ₹ 535 cr and formed 68% of the total. Growth on account of volume was 9%. The Company completed one project during the year.

The world market for *para*-Cresol (a key product) is estimated at 69,000 MT and is growing at about 2%. Though earlier the product used to be manufactured in the UK and the USA, China and India are now major suppliers of the product. The size of the world Fragrance industry is estimated at US$ 15 bn and is growing at about 5%. The size of the world Personal Care industry is estimated at US$ 467 bn, of which personal care ingredients segment is US$ 27 bn and is growing at about 5%.

The main user industries, namely, Fragrance and Personal Care are growing well due to an improved standard of living. The Company will participate in this growth by - i) broadening its market reach, ii) increasing its manufacturing efficiencies, iii) debottlenecking and adding capacities, iv) introducing new products and v) evaluating inorganic growth opportunities.

Fluctuations in foreign exchange may impact sales realisations.

## BULK CHEMICALS AND INTERMEDIATES

**Product groups: Bulk chemicals, Adhesion promoters, Others**

The products falling under the bulk chemicals product groups are mainly used for internal consumption, while the products in the intermediate product groups are used by customers belonging to the Cosmetic, Dyestuff, Pharmaceutical and Tyre industries. The product groups comprise 23 products. Resorcinol, Resorcinol–formaldehyde resin and 1, 3–Cyclohexanedione are some of the key products.

During 2021-22, sales increased by 9% from ₹ 286 cr to ₹ 312 cr, despite the disruption in production due to the COVID-19 pandemic. Sales in India increased by 17% from ₹ 157 cr to ₹ 183 cr. Sales outside India remained at ₹ 129 cr and formed 41% of the total. Growth on account of volume was 9%.

The world market for Resorcinol (a key product) is estimated at US$ 578 mn and is growing at about 2.5%. The size of the world Tyre industry is estimated at US$ 246 bn and is growing at about 2.7%. The size of the world Chlor-alkali industry is estimated at US$ 53 bn and is growing at about 2.90%.

The Tyre industry is projected to grow supported by resurgence in the Asia Pacific market region. The captive consumption of bulk chemicals is expected to grow as the Company expands manufacturing capacities of various products. The Company will participate in this growth by - i) increasing its manufacturing efficiencies, ii) debottlenecking and adding capacities, iii) introducing downstream products and iv) widening its market reach.

The demand and price of bulk chemicals are cyclical in nature. Fluctuations in foreign exchange may impact sales realisations.

## COLORS

**Product groups: Dyestuffs, Pigments, Dye-intermediates, Textile chemicals, Others**

The product groups comprise 430 products. The products are used by customers belonging to the Textile, Paint and Coatings and Paper industries. Vat Green 1, Sulphur Black 1 and Pigment Red 168 are some of the key products.

During 2021-22, sales increased by 36% from ₹ 591 cr to ₹ 802 cr. Sales in India increased by 27% from ₹ 315 cr to ₹ 401 cr. Sales outside India increased by 45% from ₹ 276 cr to ₹ 401 cr and formed 50% of the total sales. Growth on account of volume was 25%. The increased demand in both workwear

and denim segment contributed to the growth in sales of Vat and Sulphur Black products and demand for exterior paints in Europe and Asia contributed to the growth in sales of high performance pigments. Rudolf Atul Chemicals Ltd (RACL), a joint venture company formed in 2011-12, provides a complete range of textile chemicals in Indian market; its sales increased by 36% from ₹ 89 cr to ₹ 121 cr, primarily because of volume.

The size of the world Textile Dyestuff industry is estimated at US$ 6.2 bn and is expected to grow at about 3% in the coming years. China continues to be the largest manufacturer of dyes followed by India. The world market for high performance pigments is estimated at US$ 5.4 bn (constitutes both organic and inorganic pigments) and is expected to grow at about 4% in the coming years.

The main user industries, namely, Textile, Paper, Paint and Coatings will continue to grow because of increasing demands from all markets recovering from two years of pandemic. The Company along with RACL will participate in this growth by - i) increasing manufacturing and working capital efficiencies, ii) introducing new dyes, pigments, textile chemicals and products for non-textile applications, iii) broadening market reach in new geographies and iv) investing in newer capacities of existing and new products.

Fluctuations in foreign exchange, price and availability of raw materials may impact sales realisations. Treatment costs are expected to remain high because of stricter regulatory norms and increasing demand for sustainable products from user industries

## POLYMERS

**Product groups: Epoxy resins, Curing agents, Reactive diluents, Sulfones, Protective paints and Adhesives based on Epoxy, Synthetic rubber, Polyurethane, Cyanoacrylate, PVC and PVA**

The products falling under these product groups are used by customers belonging to the Aerospace, Automobile, Composites, Construction, Defence, Electrical and Electronics, Footwear, Paint and Coatings, Paper, Sport and Leisure, and Wind Energy industries. The product groups comprise 82 synthetic products and 500 formulations. B11, P62 and P101 are some of the key products. Synthetic and formulated products are versatile and have significant applications in Aerospace, Automobile, FRP Composites, Wind Energy, Electrical and Electronics, Paint and Coatings, Construction, Defence, Sports and Leisure and Paper industries.

During 2021-22, sales increased by 76% from ₹ 878 cr to ₹ 1,546 cr. Sales in India increased by 59% from ₹ 596 cr to ₹ 945 cr; bulk sales in India increased by 63% from ₹ 460 cr to ₹ 751 cr, whereas retail sales increased by 43% from ₹ 136 cr to ₹ 194 cr. Sales outside India increased by 113% from ₹ 282 cr to ₹ 601 cr and formed 39% of the total. Growth on account of volume was 29%.

The world market for epoxy resins and curing agents is estimated at US$ 12 bn and is growing at about 3%, while the Indian market is estimated at US$ 380 mn and is growing at about 6%. There are seven major companies that dominate the world marketplace. The world market for sulfones (curing agents) is estimated at US$ 393 mn and is growing at about 6%.

The user industries, Construction, Defence, Electrical and Electronics, Paint and Coatings are growing well, particularly in India. The Company will participate in this growth by – i) improving manufacturing and working capital efficiencies, ii) debottlenecking and adding capacities, iii) introducing new products and iv) widening market reach in new geographies.

Cheaper imports and new entrants in the market will keep the market competitive and may keep margins under pressure. Since the two main raw materials, namely Bisphenol-A and Epichlorohydrin, are imported, fluctuations in foreign exchange may impact margins

## INTERNAL CONTROL SYSTEMS

The Company has comprehensive internal control systems commensurate with the nature of its business, size and complexity of its operations. They provide reasonable assurance on effectiveness and efficiency of its operations, reliability of financial reporting and compliance with the applicable laws and regulations.

The internal control systems that deploy an amalgam of modern and traditional processes are routinely tested and upgraded for both design and operational effectiveness by the Management and the same is audited by the Statutory Auditors. Significant audit observations and follow-up actions and recommendations thereon are also reported to the Senior Management and the Audit Committee for their review.

### Internal Audit

The Company has an in-house Internal Audit department which includes professionals from finance, data analytics and engineering disciplines and is also working with reputed audit firms specialising in internal audits and assurance domain. Together, they have the responsibility to bring in excellence in the function, continuously identify areas of operations requiring strengthening and introduce best processes and practices to manage a growing business which comprises subsidiary, joint venture and associate entities (including Atul Foundation and entities overseen by it).

The annual internal audit plan is reviewed and approved by the Audit Committee in beginning of the financial year to ensure adequate coverage. Progress of internal audit plan, significant observations noted during internal audits and status of identified actions are reviewed by the Management periodically and by the Audit Committee on quarterly basis.

The Company has further strengthened its Internal Audit department for improved focus on retail processes, data analytics and technical audit.

### Enterprise Risk Management

The Company believes that risks are inevitable in any business and its approach is to identify, track and mitigate instead of avoiding them. Enterprise risk management (ERM) is an integral part of a business and its framework includes identification, classification, assessment, prioritisation, mitigation, monitoring and reporting of key risks.

The Company has adopted a bottom-up and top-down approach to drive ERM. The bottom-up approach includes identification and regular assessment of risks by respective businesses and cross-functional teams and plan for mitigating such risks in a structured manner. This is complemented by a top-down approach where the senior management identifies and assesses long-term and macro risks. Risks are consolidated under major risk themes to create focus areas and prioritise mitigation plans.

ERM is driven by the Board of Directors through the Risk Management Committee of the Board.

## HUMAN RESOURCES

2021-22 witnessed the second and third waves of the COVID-19 pandemic. HR remained engaged with the workforce to ensure safe and uninterrupted operations.

People and culture are the cornerstones for building a company and for it to face the test of time. The Company took further initiatives to enhance i) its HR processes (particularly using technology) related to recruitment, performance management, learning and development, manpower planning and employee care and ii) work environment related to culture and code of conduct to manage a growing business (which comprises subsidiary, joint venture and associate entities).

In addition to the above, the Company also made improvements in the area of HR digitalisation, particularly in employee care, recruitment, learning and development and performance management, with an objective to enrich employee and candidate experience.

15 COVID-19 vaccination camps were organised for ensuring safety and well-being of the employees and contractual workmen. Special benefits were introduced for the families of employees who lost their lives due to the COVID-19 pandemic.

Employee relations at all locations remained cordial.

HR managers comprise those in the central team and those partnering with the different businesses | functions (including subsidiary, associate and joint venture entities). In addition, the Company regularly works with external experts for specific initiatives.

During the fiscal, the number of team members increased by 98 from 2,991 to 3,089.

# 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) capital expenditure and operating budgets

iii) commission payable to the Directors within the limit set by the shareholders

iv) contracts in which the Director(s) are deemed to be interested

v) cost audit reports

vi) creation of charge on assets in favour of lenders

vii) declaration of interim dividend

viii) joint ventures, collaborations, mergers and acquisitions

ix) loans and investments

x) matters requiring statutory | Board consent

xi) sale of investments and assets

xii) short, medium or long-term borrowings

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) effectiveness of the governance practices and making desirable changes

ii) implementation of performance objectives and corporate performance

iii) potential conflicts of interest of the Management, the Board Members and the shareholders, including misuse of corporate assets and abuse in related party transactions

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|3$^{rd}$ of the Directors (other than the Independent Directors) are rotational Directors. 1|3$^{rd}$ 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 | Sunil Lalbhai, Samveg Lalbhai, Bharathy Mohanan |
| Domain industry | Baldev Arora, Sunil Lalbhai |
| Finance | Bansi Mehta, Srinivasa Rangan, Mukund Chitale, Shubhalakshmi Panse, Gopi Kannan Thirukonda |
| General management | Susim Datta, Shubhalakshmi Panse, Baldev Arora, Sunil Lalbhai |
| Legal, including laws related to corporate governance | Rajendra Shah, Bansi Mehta, Srinivasa Rangan, Mukund Chitale, Gopi Kannan Thirukonda |
| Sales and marketing | Susim Datta, Baldev Arora, Sunil Lalbhai |
| Science and technology | Susim Datta, Baldev Arora, Bharathy Mohanan |

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. | Sunil Lalbhai | 6 | 2 | 3 |
| | | | | |
| | **Managing Director** | | | |
| 02. | Samveg Lalbhai | 2 | - | - |
| | | | | |
| | **Whole-time Directors** | | | |
| 03. | Bharathy Mohanan | 9 | - | - |
| 04. | Gopi Kannan Thirukonda | 8 | 4 | - |
| | | | | |
| | **Non-executive Directors** | | | |
| 05. | Rajendra Shah | 2 | 2 | - |
| 06. | Bansi Mehta | 1 | - | 2 |
| 07. | Susim Datta | 6 | 2 | 2 |
| 08. | Srinivasa Rangan | 7 | 5 | - |
| 09. | Mukund Chitale | 5 | 4 | 2 |
| 10. | Shubhalakshmi Panse | 2 | 2 | 1 |
| 11. | Baldev Arora | - | 1 | 1 |

[1]Excludes Directorships in foreign companies and private limited companies

[2]In 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 Sunil Lalbhai and Mr Samveg Lalbhai are promoter Directors.

Except Mr Rajendra 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. | Sunil Lalbhai | Mr Sunil Lalbhai is a Managing Director since June 1984 and the Chairman of the Board of the Company since August 2007.<br><br>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. | Amal Ltd \| Non-executive Director<br><br>Navin Fluorine International Ltd \| Independent Director<br><br>Pfizer Ltd \| Independent Director<br><br>The Bombay Dyeing and Manufacturing Company Ltd \| Independent Director |
| 02. | Samveg Lalbhai | Mr Samveg Lalbhai is a Director of the Company since January 2000 and a Managing Director of the Company since December 2000.<br><br>Mr Lalbhai holds a graduate degree in Commerce from Gujarat University. | Bengal Tea and Fabrics Ltd \| Non-executive Director<br><br>The Anup Engineering Ltd \| Non-executive Director |
| 03. | Bharathy Mohanan | Mr Bharathy 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.<br><br>Mr Mohanan holds a graduate degree in Engineering (Honours) from the University of Calicut. | - |
| 04. | Gopi Kannan Thirukonda | Mr Gopi Kannan Thirukonda 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.<br><br>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. | Amal Ltd \| Non-executive Director |
| 05. | Rajendra Shah | Mr Rajendra 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.<br><br>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. | BASF India Ltd \| Independent Director<br><br>Godfrey Phillips India Ltd \| Non-executive Director |
| 06. | Bansi Mehta | Mr Bansi Mehta is a Director of the Company since April 1992. He is the Chief Mentor in Bansi S Mehta & Co since 2009.<br><br>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. | Pidilite Industries Ltd \| Independent Director |

| No. | Name | Brief résumé | Name of other listed entities in which the Director is a director and Category |
|---|---|---|---|
| 07. | Susim Datta | Mr Susim 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.<br>Mr Datta holds a postgraduate degree in Science and Technology from the University of Calcutta and is a Chartered Engineer. | IL&FS Investment Managers Ltd \| Independent Director |
| 08. | Srinivasa Rangan | Mr Srinivasa Rangan is a Director of the Company since July 2010. He is an Executive Director of Housing Development Finance Corporation Ltd.<br>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. | Computer Age Management Services Ltd \| Non-executive Director<br>Housing Development Finance Corporation Ltd \| Executive Director |
| 09. | Mukund Chitale | Mr Mukund Chitale is a Director of the Company since October 2014. He is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co.<br>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. | Bhageria Industries Ltd \| Independent Director<br>Larsen & Toubro Ltd \| Independent Director<br>Macrotech Developers Ltd \| Independent Director |
| 10. | Shubhalakshmi Panse | Ms Shubhalakshmi Panse is a Director of the Board since March 2015. She was the Chairperson and Managing Director of Allahabad Bank Ltd.<br>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. | Can Fin Homes Ltd \| Independent Director<br>Sudarshan Chemical Industries \| Independent Director |
| 11. | Baldev Arora | Mr Baldev 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.<br>Mr Arora holds a graduate degree in Mechanical Engineering from the University of Punjab. | - |

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 |
|---|---|---|---|---|
| | | Total | Attended | July 31, 2021 |
| 01. | Sunil Lalbhai | 5 | 5 | Present |
| 02. | Rajendra Shah | 5 | 5 | Present |
| 03. | Bansi Mehta | 5 | 5 | - |
| 04. | Samveg Lalbhai | 5 | 5 | Present |
| 05. | Susim Datta | 5 | 4 | Present |
| 06. | Bharathy Mohanan | 5 | 5 | Present |
| 07. | Srinivasa Rangan | 5 | 5 | Present |
| 08. | Mukund Chitale | 5 | 5 | Present |
| 09. | Gopi Kannan Thirukonda | 5 | 5 | Present |
| 10. | Shubhalakshmi Panse | 5 | 5 | Present |
| 11. | Baldev Arora | 5 | 5 | Present |

2.6. Appointment | Cessation

2.6.1. Appointed:

i) Mr Samveg 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. | Sunil Lalbhai | - | 5,25,73,272 | 8,36,46,000 | 13,62,19,272 |
| | | | | | |
| | **Managing Director** | | | | |
| 02. | Samveg Lalbhai | - | 1,29,80,040 | 1,67,94,300 | 2,97,74,340 |
| | | | | | |
| | **Whole-time Directors** | | | | |
| 03. | Bharathy Mohanan | - | 1,84,17,309[1] | - | 1,84,17,309 |
| 04. | Gopi Kannan Thirukonda | - | 2,15,97,410[2] | - | 2,15,97,410 |
| | | | | | |
| | **Non-executive Directors** | | | | |
| 05. | Rajendra Shah | 3,15,000 | - | 9,75,000 | 12,90,000 |
| 06. | Bansi Mehta | 4,55,000 | - | 16,00,000 | 20,55,000 |
| 07. | Susim Datta | 2,80,000 | - | 12,00,000 | 14,80,000 |
| 08. | Srinivasa Rangan | 3,50,000 | - | 14,00,000 | 17,50,000 |
| 09. | Mukund Chitale | 3,15,000 | - | 15,00,000 | 18,15,000 |
| 10. | Shubhalakshmi Panse | 2,45,000 | - | 11,00,000 | 13,45,000 |
| 11. | Baldev Arora | 6,00,000 | - | 18,00,000 | 24,00,000 |

[1]Includes variable pay ₹ 35,04,000

[2]Includes 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
- Corporate Social Responsibility Committee
- Investment Committee
- Nomination and Remuneration Committee
- Risk Management Committee
- Stakeholders Relationship 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:

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

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 reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically
- 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
- financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient
- 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
- 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
- significant transactions and arrangements entered into by the unlisted subsidiary companies
- the Auditors' independence, performance and effectiveness of the audit process
- 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

- the Financial Statements, in particular, investments made by unlisted subsidiary companies
- 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

- the functioning of whistleblowing mechanism
- 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
- 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
- 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:

- 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
- 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. | Bansi Mehta | Chairman |
| 2. | Srinivasa Rangan | Member |
| 3. | Baldev Arora | Member |
| 4. | Mukund Chitale | Member |

3.1.3. Meetings and attendance

During 2021-22, four meetings were held.

| No. | Name | Total | Attended |
|---|---|---|---|
| 1. | Bansi Mehta | 4 | 4 |
| 2. | Srinivasa Rangan | 4 | 4 |
| 3. | Baldev Arora | 4 | 4 |
| 4. | Mukund 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. Corporate Social Responsibility Committee

3.2.1. Role

i) Formulating and recommending the Corporate Social Responsibility (CSR) Policy to the Board

ii) 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

iii) Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profit in a given year

iv) Monitoring the CSR Policy from time to time

v) 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

3.2.2. Composition

The Committee comprises the following members:

| No. | Name | Designation |
|---|---|---|
| 1. | Shubhalakshmi Panse | Chairperson |
| 2. | Sunil Lalbhai | Member |
| 3. | Bharathy Mohanan | Member |

3.2.3. Meetings and attendance

During 2021-22, one meeting was held.

| No. | Name | Total | Attended |
|---|---|---|---|
| 1. | Shubhalakshmi Panse | 1 | 1 |
| 2. | Sunil Lalbhai | 1 | 1 |
| 3. | Bharathy Mohanan | 1 | 1 |

The Board notes the minutes of the CSR Committee meetings.

3.3. Investment Committee

3.3.1. 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

3.3.2. Composition

The Committee comprises the following members:

| No. | Name | Designation |
|---|---|---|
| 1. | Rajendra Shah | Chairman |
| 2. | Bansi Mehta | Member |
| 3. | Susim Datta | Member |
| 4. | Sunil Lalbhai | Member |
| 5. | Baldev Arora | Member |

3.3.3. Meetings and attendance

During 2021-22, three meetings were held.

| No. | Name | Total | Attended |
|---|---|---|---|
| 1. | Rajendra Shah | 3 | 3 |
| 2. | Bansi Mehta | 3 | 3 |
| 3. | Susim Datta | 3 | 3 |
| 4. | Sunil Lalbhai | 3 | 3 |
| 5. | Baldev Arora | 3 | 3 |

The Board notes the minutes of the Investment Committee meetings.

3.4 Nomination and Remuneration Committee

3.4.1. 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

3.4.2. Composition

The Committee comprises the following members:

| No. | Name | Designation |
|---|---|---|
| 1. | Mukund Chitale | Chairman |
| 2. | Rajendra Shah | Member |
| 3. | Baldev Arora | Member |

3.4.3. Meetings and attendance

During 2021-22, one meeting was held.

| No. | Name | Total | Attended |
|---|---|---|---|
| 1. | Mukund Chitale | 1 | 1 |
| 2. | Rajendra Shah | 1 | 1 |
| 3. | Baldev Arora | 1 | 1 |

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

3.5. Risk Management Committee

3.5.1. 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

3.5.2. Composition

The Committee comprises the following members:

| No. | Name | Designation |
|---|---|---|
| 1. | Sunil Lalbhai | Chairman |
| 2. | Bharathy Mohanan | Member |
| 3. | Gopi Kannan Thirukonda | Member |
| 4. | Baldev Arora | Member |

3.5.3. Meetings and attendance

During 2021-22, two meetings were held.

| No. | Name | Total | Attended |
|---|---|---|---|
| 1. | Sunil Lalbhai | 2 | 2 |
| 2. | Bharathy Mohanan | 2 | 2 |
| 3. | Gopi Kannan Thirukonda | 2 | 2 |
| 4. | Baldev 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.

3.6. Stakeholders Relationship Committee

3.6.1. 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

3.6.2. Composition

The Committee comprises the following members:

| No. | Name | Designation |
|---|---|---|
| 1. | Baldev Arora | Chairman |
| 2. | Sunil Lalbhai | Member |
| 3. | Gopi Kannan Thirukonda | Member |

Mr Lalit Patni, Company Secretary, is the Chief Compliance Officer.

3.6.3. Meetings and attendance

During 2021-22, four meetings were held.

| No. | Name | Total | Attended |
|---|---|---|---|
| 1. | Baldev Arora | 4 | 4 |
| 2. | Sunil Lalbhai | 4 | 4 |
| 3. | Gopi Kannan Thirukonda | 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.

## 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/polices 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<br>Ahmedabad Management Association<br>Dr Vikram Sarabhai Marg<br>Ahmedabad 380 015, Gujarat, India | July 31, 2019 | 10:30 am |
| 2019-20 | Through video conferencing at deemed venue:<br>Atul House<br>G I Patel Marg<br>Ahmedabad 380 014, Gujarat, India | July 31, 2020 | 10:30 am |
| 2020-21 | Through video conferencing at deemed venue:<br>Atul House<br>G I Patel Marg<br>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:<br>Atul House<br>G I Patel Marg<br>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.

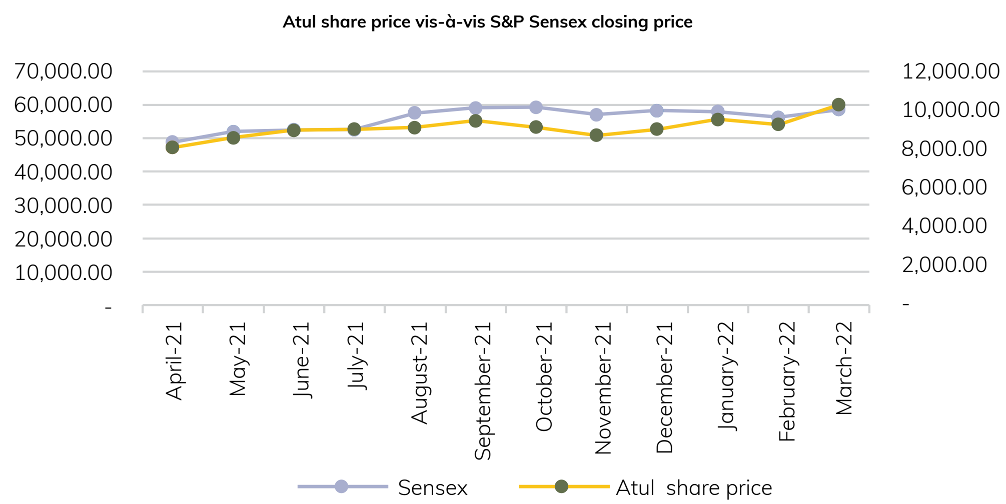
7.7. Stock code

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. | Rajendra Shah | 14,960 |
| 2. | Bansi Mehta | 162 |
| 3. | Susim Datta | 10,000 |
| 4. | Srinivasa Rangan | 5,000 |
| 5. | Mukund Chitale | 50 |
| 6. | Shubhalakshmi Panse | 50 |
| 7. | Baldev 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<br>On the website of the stock exchanges:<br>1. www.bseindia.com<br>2. www.nseindia.com |
| 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. |
| Official news releases | Official news releases as and when issued are placed on the website of the Company. |

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 Sunil Lalbhai, Chairman and Managing Director and Mr Gopi Kannan Thirukonda, 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.

For Atul Ltd

(Sunil Lalbhai)

Mumbai
April 26, 2022

**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

# Business Responsibility and Sustainability Report

## SECTION A: GENERAL DISCLOSURE

### I. BASIC DETAILS

| | | |
|---|---|---|
| 01. | Corporate identity number | L99999GJ1975PLC002859 |
| 02. | Name | Atul Ltd |
| 03. | Year of incorporation | 1975 |
| 04. | Registered office address | Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India |
| 05. | Corporate office address | Atul 396 020, Gujarat, India |
| 06. | E-mail address | sec@atul.co.in |
| 07. | Telephone | (+91 2632) 230000 |
| 08. | Website | www.atul.co.in |
| 09. | Financial year | 2021-22 |
| 10. | Stock exchanges | BSE Ltd and National Stock Exchange of India Ltd |
| 11. | Paid-up capital | ₹ 29,58,70,510 |
| 12. | Contact person | Mr Bharathy Mohanan<br>(+91 2632) 230000<br>bn_mohanan@atul.co.in |
| 13. | Reporting boundary | Standalone |

### II. PRODUCTS | SERVICES

**14. Business activities:**

| No. | Main activity | Business activities | % turnover |
|---|---|---|---|
| 1 | Life Science Chemicals | R&D, technology, procurement, manufacturing, sales and marketing | 34% |
| 2 | Performance and Other Chemicals | R&D, technology, procurement, manufacturing, sales and marketing | 66% |

**15. Products | services sold:**

| No. | Products \| Services | NIC* code | % of total turnover |
|---|---|---|---|
| 1 | Epoxy resins and hardeners | 202 | 32% |
| 2 | Intermediates | 201 | 23% |
| 3 | Herbicides | 202 | 19% |
| 4 | Textile dyestuffs | 202 | 16% |

*National Informatics Center

### III. OPERATIONS

**16. Number of locations where plants and offices are situated:**

| Location | Plants | Offices | Total |
|---|---|---|---|
| **India** | 4 | 7 | 11 |

17. **Markets served**

a) **Number of locations:**

| Locations | Numbers |
|---|---|
| **National (states)** | 29 |
| **International (countries)** | 75 |

b) **Contribution of exports as a percentage of total turnover:**

50%

c) **Types of customers:**

The Company serves ~ 4,000 customers belonging to ~ 30 diverse industries.

## IV. EMPLOYEES

18. **As at the end of the financial year:**

| No. | Particulars | Total (A) | Male | | Female | |
|---|---|---|---|---|---|---|
| | | | No. (B) | % (B/A) | No. (C) | % (C/A) |
| **a.** | **Employees** | | | | | |
| | | **Managers** | | | | |
| 1 | Permanent managers (A) | 1,663 | 1,535 | 92% | 128 | 8% |
| 2 | Other than permanent managers (B) | 50 | 44 | 88% | 6 | 12% |
| 3 | Total managers (A+B) | 1,713 | 1,579 | 92% | 134 | 8% |
| | | **Workers** | | | | |
| 4 | Permanent workers (C) | 1,371 | 1,371 | 100% | 0 | NA |
| 5 | Other than permanent workers (D) | 3,712 | 3,682 | 99% | 30 | 1% |
| 6 | Total workers (C+D) | 5,083 | 5,053 | 99% | 30 | 1% |
| **b.** | **Differently abled employees** | | | | | |
| | | **Managers** | | | | |
| 1 | Permanent managers (E) | 6 | 6 | 100% | 0 | NA |
| 2 | Other than permanent managers (F) | 0 | 0 | NA | 0 | NA |
| 3 | Total differently abled managers (E+F) | 6 | 6 | 100% | 0 | NA |
| | | **Workers** | | | | |
| 4 | Permanent workers (G) | 1 | 1 | 100% | 0 | NA |
| 5 | Other than permanent workers (H) | 0 | 0 | NA | 0 | NA |
| 6 | Total differently abled workers (G+H) | 1 | 1 | 100% | 0 | NA |

19. **Representation of women:**

| No. | Category | Total (A) | No. and % of females | |
|---|---|---|---|---|
| | | | No. (B) | % (B/A) |
| 1 | Board of Directors | 11 | 1 | 9% |
| 2 | Key Managerial Personnel (KMP) | 5 | 0 | 0% |

20. **Turnover rate for permanent employees:**

| Category | FY 2021-22 | | | FY 2020-21 | | | FY 2019-20 | | |
|---|---|---|---|---|---|---|---|---|---|
| | Male | Female | Total | Male | Female | Total | Male | Female | Total |
| **Managers** | 19% | 16% | 19% | 10% | 8% | 10% | 17% | 10% | 17% |
| **Workers** | 10% | 0 | 10% | 9% | 0 | 9% | 9% | 0 | 9% |

## V. HOLDING, SUBSIDIARY AND ASSOCIATE ENTITIES (INCLUDING JOINT VENTURES)

### 21. Subsidiary, joint venture and associate entities:

This information is given on page numbers 32 and 33 in the annexure to the Directors' Report. The entities do not participate in business responsibility initiatives.

## VI. CORPORATE SOCIAL RESPONSIBILITY

| 22. | | |
|---|---|---|
| | **Applicability of CSR as per Section 135 of the Companies Act, 2013** | Yes |
| | **Turnover** | ₹ 4,929 cr |
| | **Net worth** | ₹ 4,316 cr |

## VII. TRANSPARENCY AND DISCLOSURES COMPLIANCES

### 23. Complaints or grievances on any of the nine principles under National Guidelines on Responsible Business Conduct (NGRBC):

| Stakeholder group from whom complaint is received | Grievance redressal mechanism and its URL | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|---|
| | | Complaints received | Complaints pending resolution | Remarks | Complaints received | Complaints pending resolution | Remarks |
| **Communities** | A mechanism is in place to interact with community leaders to understand and address their concerns, if any | 6 | Nil | | Nil | Nil | |
| **Shareholders** | | 9 | Nil | | 22 | Nil | |
| **Investors (other than shareholders)** | | Nil | Nil | | Nil | Nil | |
| **Employees** | Under implementation | Nil | Nil | | Nil | Nil | |
| **Customers** | | Nil | Nil | | Nil | Nil | |
| **Value chain partners** | | | | | | | |

### 24. Overview of material responsible business conduct areas:

| Material area identified | Criticality | Mitigating actions |
|---|---|---|
| Human resources development | High | Learning and development initiatives<br>Performance management quality |
| Circular economy | High | Recycle of water<br>Decrease in emissions, effluent and waste<br>Recycle of plastic waste<br>Conversion of domestic waste to manure |
| Energy efficiency | High | Energy saving through process efficiency and redesign of equipment |
| Product stewardship | High | Decrease in consumption of raw materials |
| Occupational health and safety | High | Implementation of ISO 45001:2018 (occupational health and safety management systems)<br>Actions on zero harm<br>Safety assessments and audits |

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

NGRBC principles and core elements

NGRBC released by the Ministry of Corporate Affairs has adopted nine principles related to business responsibility. They are as follows:

P1 Businesses will conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.

P2 Businesses will provide goods and services in a manner that is sustainable and safe.

P3 Businesses will respect and promote the well-being of all employees, including those in their value chains.

P4 Businesses will respect the interests of and be responsive to all its stakeholders.

P5 Businesses will respect and promote human rights.

P6 Businesses will respect and make efforts to protect and restore the environment.

P7 Businesses, when engaging in influencing public and regulatory policy, will do so in a manner that is responsible and transparent.

P8 Businesses will promote inclusive growth and equitable development.

P9 Businesses will engage with and provide value to their consumers in a responsible manner.

| | **Disclosure questions** | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|---|---|
| | **Policy and management processes** | | | | | | | | | |
| **01.** | a) The policy \| policies cover each principle and its core elements | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | b) Policy approved by the Board | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| | c) URL of the policies | The Company is in the process of publishing these policies on its website. | | | | | | | | |
| **02.** | The policies are translated into procedures | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **03.** | The enlisted policies extend to the value chain partners | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| **04.** | Name of the national and international codes \| certifications \| labels \| standards adopted and mapped against each principle | The Company has developed policies for its significant operations in conformance with the international standards (such as ISO 9000, ISO 14000, OHSAS 18000 \| ISO 45000), United Nations Global Compact guidelines and principles of International Labour Organisation. | | | | | | | | |
| **05.** | Specific commitments, goals and targets set with defined timelines, if any | The Company is engaging with subject matter experts and actively pursuing sustainability improvement agenda. | | | | | | | | |
| **06.** | Performance against the specific commitments, goals and targets along with reasons in case the same are not met | Not applicable | | | | | | | | |

### GOVERNANCE, LEADERSHIP AND OVERSIGHT

**07. Statement by Director responsible for the Business Responsibility Report, highlighting environmental, social and governance (ESG) related challenges, targets and achievements:**

The Company is committed to integrating ESG principles into its businesses which is central to improving the quality of life of the communities it serves.

**08. Highest authority responsible for implementation and oversight of the business responsibility policy(ies):**

Board of Directors

**09. Specific Committee of the Board or a Director responsible for decision:**

The Company has appointed a Whole-time Director to oversee implementation of the policies.

10. Details of review of national guidelines for responsible business conduct:

| Subject for review | Review by Director \| a Committee of the Board \| any other committee and its frequency | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
| Performance against above policies and follow up action | Quarterly | | | | | | | | |
| Compliance with statutory requirements of relevance to the principles and rectification of any non-compliance | Quarterly | | | | | | | | |

11. Independent assessment | evaluation of the working of its policies by an external agency and name of the agency:

| P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|---|---|---|---|---|---|---|---|---|
| Yes \| primarily by Aneja Associates | | | | | | | | |

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

**Principle 1: Businesses will conduct and govern themselves with integrity and in a manner that is ethical, transparent and accountable.**

### Essential indicators

1. Percentage coverage by training and awareness programs on any of the Principles during the financial year:

| Segment | Number of programs | Topics \| Principles | % of persons |
|---|---|---|---|
| Board of Directors | 4 | Code of conduct, prevention of sexual harassment (POSH), human rights and corporate governance | 100% |
| KMP | 5 | Code of conduct, POSH, human rights and whistleblower | 100% |
| Employees (excluding Executive Directors and KMP) | 8 | Atul Values, code of conduct, POSH, human rights, whistleblower, equal employment opportunity and anti-discrimination | 100% |

2. Fines penalties | punishments | awards | compounding fees | settlement amount paid in proceedings (by the Company or by Directors | KMP) with regulators | law enforcement agencies | judicial institutions, in the financial year:

| a. Monetary | | | | | |
|---|---|---|---|---|---|
| Type | NGRBC principle | Name of the regulatory \| enforcement agencies \| judicial institutions | Amount (₹) | Brief of the case | Has an appeal been preferred? |
| Penalty \| fine | Not applicable | Not applicable | Nil | | Not applicable |
| Settlement | Not applicable | Not applicable | Nil | | Not applicable |
| Compounding fee | Not applicable | Not applicable | Nil | | Not applicable |

| b. Non-monetary | | | | |
|---|---|---|---|---|
| Type | NGRBC principle | Name of the regulatory \| enforcement agencies \| judicial institutions | Brief of the case | Has an appeal been preferred? |
| Imprisonment | Not applicable | Not applicable | Not applicable | Not applicable |
| Punishment | Not applicable | Not applicable | Not applicable | Not applicable |

3. **Appeal | revision preferred in cases where monetary or non-monetary action has been appealed:**

   Not applicable.

4. **Anti-corruption or bribery policy and URL of the policy:**

   The Company has a dedicated code of conduct covering anti-corruption and anti-bribery aspects. The code of conduct has been published on the Company website: www.atul.co.in/pdf/investors/policies/Code-of-Conduct-18-19.pdf

5. **Directors | KMP | employees (other than KMP) against whom disciplinary action was taken by any law enforcement agency for the charges of bribery | corruption:**

| Category | 2021-22 | 2020-21 |
|---|---|---|
| Directors | Nil | Nil |
| KMP | Nil | Nil |
| Employees (other than KMP) | Nil | Nil |

6. **Complaints with regard to conflict of interest:**

| | 2021-22 | | 2020-21 | |
|---|---|---|---|---|
| | Number | Remarks | Number | Remarks |
| **Conflict of interest of the Directors** | Nil | Nil | Nil | Nil |
| **Conflict of interest of KMP** | Nil | Nil | Nil | Nil |

7. **Details of any corrective action taken or underway on issues related to fines | penalties | action taken by regulators | law enforcement agencies | judicial institutions, on cases of corruption and conflicts of interest:**

   Not applicable

## Leadership indicators

1. **Training and awareness programs conducted for value chain partners on any of the Principles during the financial year:**

| Number of program | Topics \| Principles | % of value chain partners |
|---|---|---|
| 1 | business ethics, code of conduct, occupational health and safety, environment management, labour and human rights, plant setup and automation, quality management, capacity utilisation, and supplier and contractor sustainability | 48% |

2. **Processes to avoid | manage conflict of interests involving members of the Board:**

   The Company has a dedicated code of conduct to manage conflict of interests involving members of the Board. The code of conduct is available on the website of the Company: www.atul.co.in/pdf/investors/policies/Code-of- Conduct-18-19.pdf

**Principle 2: Businesses will provide goods and services in a manner that is sustainable and safe.**

## Essential indicators

1. **Percentage of research and development (R&D) spent and capital expenditure (CAPEX) in specific technologies to improve environmental and social impacts of products and processes to total R&D spent and CAPEX, respectively:**

| Type | 2021-22 | 2020-21 | Improvements in social and environmental aspects |
|---|---|---|---|
| R&D spent | 15% | 11% | • decrease in consumption of solvents<br>• decrease in consumption of water<br>• increase in yield in six products |
| CAPEX | 26% | 19% | • collection and scrubbing of hydrochloric acid<br>• conversion of two of the four treatment facilities at Atul site to zero liquid discharge<br>• installation of dust suppression system in boiler<br>• treatment of boiler blow-down by nano filtration |

2. a) **Procedures for sustainable sourcing:**

   The Company has procedures in place for sustainable sourcing.

   The URL to its responsible sourcing policy is: www.atul.co.in/economic-sustainability/responsibleprocurement/

   b) **Percentage of inputs sourced sustainably:**

   91%

3. **Processes to safely reclaim products for reusing, recycling and disposing of at the end of life, for a) plastics (including packaging), b) e-waste, c) hazardous waste and d) other waste:**

   The Company follows the applicable processes laid down by the regulatory authorities.

4. **Applicability of extended producer responsibility (EPR) to the activities of the Company and whether the waste collection plan is in line with EPR plan submitted to Pollution Control Boards:**

   EPR is applicable to the activities of the Company and the waste collection plan is in line with the EPR plan submitted to the Central Pollution Control Board.

## Leadership indicators

1. **Life cycle perspective | assessment (LCA) for products:**

   The Businesses periodically undertake LCA.

2. **Significant social or environmental concerns and | or risks arising from production or disposal of products identified in LCA or through any other means and their mitigation:**

   There were no significant social or environmental concerns and | or risks arising from production or disposal of products.

3. **Recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry):**

   The Company has in-house facilities to recycle its waste and is continuously striving to maximise it. At present, it is recycling 6.94% of its waste.

4. **Products and packaging reclaimed at end of life of products and reused, recycled, and safely disposed (in metric tonnes):**

| | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Reused | Recycled | Safely disposed | Reused | Recycled | Safely disposed |
| Plastics (including packaging) | | | | | | |
| E-waste | Nil | Nil | Nil | Nil | Nil | Nil |
| Hazardous waste | | | | | | |
| Other waste | | | | | | |

5. **Reclaimed products and their packaging materials (as percentage of products sold) for each product category:**

Not applicable

**Principle 3: Businesses will respect and promote well-being of all employees, including those in their value chains.**

## Essential indicators

**01. a) Details of measures for well-being of managers:**

| Category | % of managers covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | %(C/A) | No.(D) | %(D/A) | No. (E) | %(E/A) | No. (F) | %(F/A) |
| **Permanent managers** | | | | | | | | | | | |
| **Male** | 1,535 | 1,535 | 100% | 0 | NA | 0 | NA | 0 | NA | 0 | NA |
| **Female** | 128 | 128 | 100% | 0 | NA | 128 | 100% | 0 | NA | 0 | NA |
| **Total** | **1,663** | **1,663** | **100%** | **0** | **NA** | **128** | **8%** | **0** | **NA** | **0** | **NA** |
| **Other than permanent managers** | | | | | | | | | | | |
| **Male** | 44 | 0 | NA | 0 | NA | 0 | NA | 0 | NA | 0 | NA |
| **Female** | 6 | 0 | NA | 0 | NA | 0 | NA | 0 | NA | 0 | NA |
| **Total** | **50** | **0** | **NA** | **0** | **NA** | **0** | **NA** | **0** | **NA** | **0** | **NA** |

**b) Measures for the well-being of workers:**

| Category | % of workers covered by | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Health insurance | | Accident insurance | | Maternity benefits | | Paternity benefits | | Day care facilities | |
| | | No. (B) | % (B/A) | No. (C) | %(C/A) | No.(D) | %(D/A) | No. (E) | %(E/A) | No. (F) | %(F/A) |
| **Permanent workers** | | | | | | | | | | | |
| **Male** | 1,371 | 1,371 | 100% | 1,371 | 100% | 0 | NA | 0 | NA | 0 | NA |
| **Female** | 0 | 0 | NA | 0 | NA | 0 | NA | 0 | NA | 0 | NA |
| **Total** | 1,371 | 1,371 | 100% | 1,371 | 100% | 0 | NA | 0 | NA | 0 | NA |
| **Other than permanent workers** | | | | | | | | | | | |
| **Male** | 3,682 | 0 | NA | 3,682 | 100% | 0 | 0 | 0 | NA | 0 | NA |
| **Female** | 30 | 0 | NA | 30 | 100% | 30 | 100% | 0 | NA | 0 | NA |
| **Total** | 3,712 | 0 | NA | 3,712 | 100% | 30 | 1% | 0 | NA | 0 | NA |

**02. Retirement benefits for current financial year and previous financial year:**

| No. | Benefits | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|---|
| | | Managers | Workers | Deducted and deposited with the authority | Managers | Workers | Deducted and deposited with the authority |
| 1 | Provident fund | 100% | 100% | Yes | 100% | 100% | Yes |
| 2 | Gratuity | 100% | 100% | Not applicable | 100% | 100% | Not applicable |
| 3 | Employee state insurance | 1% | 12% | Yes | 1% | 11% | Yes |
| 4 | Others (please specify) | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable | Not applicable |

**03. Accessibility of workplaces:**

Most of the working locations are accessible to differently abled persons.

**04. Equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016:**

The Company provides equal opportunities to all its employees and to all eligible applicants for employment in the Company.

**05. Return to work and retention rates of permanent employees who took parental leave in the financial year:**

| Gender | Return to work rate | Retention rate |
|---|---|---|
| **Male** | Not applicable | Not applicable |
| **Female** | 100% | 100% |
| **Total** | 100% | 100% |

**06. Grievance redressal mechanism for employees:**

| Category | Details of the mechanism in brief |
|---|---|
| **Permanent managers** | The employee may register complaint with the concerned immediate manager or the concerned HR manager. |
| **Other than permanent managers** | |
| **Permanent workers** | |
| **Other than permanent workers** | |

07. **Membership of employees in recognised association(s) or union(s):**

| Category | FY 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Total employees (A) | Employees who are part of association(s) or unions (B) | % (B/A) | Total employees (C) | Employees who are part of association(s) or unions (D) | % (D/C) |
| | | | Permanent employees | | | |
| Male | 2,906 | 398 | 14% | 2,872 | 474 | 17% |
| Female | 128 | 0 | 0% | 117 | - | NA |
| Total | 3,034 | 398 | 13% | 2,989 | 474 | 16% |

08. **Training given to employees:**

| Category | 2021-22 | | | | | 2020-21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total employees (A) | Skill training imparted (B) | % (B/A) | Health and safety training imparted (C) | % (C/A) | Total employees (D) | Skill training imparted (E) | % (E/D) | Health and safety training imparted (F) | % (F/D) |
| | | | | | Permanent employees | | | | | |
| Male | 2,906 | 1,258 | 43% | 2,204 | 75% | 2,872 | 841 | 29% | 1,711 | 60% |
| Female | 128 | 87 | 68% | 128 | 100% | 117 | 59 | 50% | 117 | 100% |
| Total | 3,034 | 1,345 | 44% | 2,332 | 77% | 2,989 | 900 | 30% | 1,828 | 61% |

09. **Performance and career development reviews of employees:**

| Category | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Total employees (A) | Employees who had a career review (B) | % (B/A) | Total employees (C) | Employees who had a career review (D) | % (D/C) |
| | | | Permanent employees | | | |
| Male | 2,906 | 2,097 | 72% | 2,872 | 2,069 | 72% |
| Female | 128 | 118 | 92% | 117 | 116 | 99% |
| Total | 3,034 | 2,215 | 73% | 2,989 | 2,185 | 73% |

10. **Health and safety management system:**

| | | |
|---|---|---|
| **a)** | **Implementation of occupational health and safety management systems** | The Company has implemented ISO 45001:2018 management system standard. |
| **a)i.** | **Coverage of such a system** | 100% |
| **b)** | **Processes used to identify work-related hazards and assess risks on a routine and non-routine basis** | 1. environment, health and safety management system audit procedure<br>2. hazard and operability study procedure<br>3. hazard identification and risk assessment procedure<br>4. management of change procedure<br>5. permit to work system<br>6. safety observation audit system |

| | |
|---|---|
| **c) Processes for workers to report the work-related hazards and to remove themselves from such risks?** | The Company has requisite processes. |
| **d) Access to employees to non-occupational medical and healthcare services** | The employees have the requisite access. |

**11. Safety related incidents:**

| Safety incident \| number | Category | 2021-22 | 2020-21 |
|---|---|---|---|
| Lost time injury frequency rate (per one million-person hours worked) | Managers | 0 | 0 |
| | Workers | 0.06 | 0 |
| Total recordable work-related injuries | Managers | 16 | 21 |
| | Workers | 20 | 20 |
| Number of fatalities | Managers | 0 | 0 |
| | Workers | 0 | 0 |
| High consequence work-related injury or ill-health (excluding fatalities) | Managers | 0 | 0 |
| | Workers | 0 | 0 |

**12. Measures taken to ensure a safe and healthy workplace:**

The Company has environment, health and safety (EHS) policy. To ensure steady improvement in (EHS) performance, it is adopting voluntary standards such as ISO 45001.

**13. Complaints made by employees:**

| Category | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Filed | Pending resolution | Remarks | Filed | Pending resolution | Remarks |
| Working conditions | 0 | 0 | Not applicable | 0 | 0 | Not applicable |
| Health and safety | 0 | 0 | Not applicable | 0 | 0 | Not applicable |

**14. Plants and offices assessed (by the Company | statutory authorities | third parties):**

| Topic | % covered |
|---|---|
| Health and safety practices | 100% |
| Working conditions | 100% |

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks | concerns arising from assessments of health and safety practices and working conditions:**

Corrective actions taken to address incidents related to fall from height:

- assessed the qualification of workers at height by way of 'height work passes'
- conducted 'work at height competency training' for engineers by MS Chola
- conducted 'work at height competency' assessment for the first group of workers of chimney contractor
- obtained approval of all permits for fragile roofs by an EHS team member

## Leadership indicators

1. **Extension of life insurance or other compensatory package in the event of death:**

   a) **Managers:** Yes

   b) **Workers:** Yes

2. **Measures undertaken to ensure that statutory dues are deducted and deposited by the value chain partners:**
   - conduct of quarterly audits of all statutory records and compliances maintained by the contractors
   - imposition of appropriate penalty on the contractor as per the defined standard operating procedure in case of any non-compliance with reference to provident fund remittance, payment of professional tax, employee compensation, etc

3. **Number of managers | workers having suffered high consequence work related injury | ill-health | fatalities (as reported in Q11 of essential indicators, above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

| Category | Affected managers \| workers | | Managers \| workers who \| whose family members are rehabilitated | |
|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Managers \| workers | Nil | Nil | Nil | Nil |

4. **Transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment:**

   The Company does not have any formal transition assistance program. Support is however provided on case-to-case basis.

5. **Assessment of value chain partners:**

| Topic | % assessed (by value) |
|---|---|
| Health and safety practices | 93% |
| Working conditions | 93% |

6. **Corrective actions taken or underway to address significant risks | concerns arising from assessments of health and safety practices and working conditions of value chain partners:**

   For contractors working in Atul premises:

   No corrective action plan has been necessitated arising out of the assessment.

**Principle 4: Businesses will respect the interests of and be responsive to all its stakeholders.**

## Essential indicators

1. **Processes for identifying key stakeholder groups of the Company:**

   Internal and external group of stakeholders have been identified - they comprise employees, customers, suppliers, communities and shareholders.

2. **Key stakeholder groups and the frequency of engagement with vulnerable | marginalised groups:**

| Stakeholder group | Vulnerable \| marginalised group | Channels of communication | Frequency of engagement | Purpose and scope of engagement |
|---|---|---|---|---|
| Employees | No | talks and letters of senior management, goal setting and performance appraisal review, exit interviews, email, intranet, websites | ongoing | business information and Company policies, training and development, performance management, role rotation, career progression, etc |

| Stakeholder group | Vulnerable \| marginalised group | Channels of communication | Frequency of engagement | Purpose and scope of engagement |
|---|---|---|---|---|
| Customers | No | telephone, e-mails, personal meetings, surveys, information on packaging, portal, website, social media, etc | ongoing | technical service, feedback, products and formulations launches, etc |
| Suppliers | No | telephone, e-mails, personal meetings, surveys, information on packaging, portal, website, social media, etc | ongoing | requirement of materials and services, technical service, feedback, etc |
| Government | No | e-mails, letters, representations, personal meetings, etc | ongoing | statutory approvals, policy advocacy, payment to exchequers, etc |
| Community | No | meetings, visits, projects, etc | ongoing | education, empowerment, health, infrastructure, relief, conservation, etc |
| Shareholders | No | annual report, annual general meeting, analyst meet, stock exchange intimations, e-mails, website, newspapers, etc | ongoing | information about business and statutory approvals |

## Leadership indicators

1. **Processes for consultation between stakeholders and the Board on economic, environmental and social topics or if consultation is delegated:**

   Business I Function heads interact with the aforesaid stakeholders and provide key updates to the Board.

2. **Details of instances as to how the inputs received from stakeholders on management of environmental and social topics were incorporated into policies and activities of the Company:**

   Environmental and social topics are reviewed and shortlisted based on the materiality study, and standard operating procedures are updated | introduced.

3. **Details of instances of engagement with and actions taken to address the concerns of vulnerable | marginalised stakeholder groups:**

   The concerns of the vulnerable | marginalised stakeholders groups are mainly addressed through six programs, namely, education, empowerment, health, infrastructure, relief and conservation, by Atul Foundation Trust.

**Principle 5: Businesses will respect and promote human rights.**

## Essential indicators

**01. Employees who have been trained on human rights issues and policy(ies):**

| Category | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Total (A) | Covered (B) | % (B/A) | Total (C) | Covered (D) | % (D/C) |
| **Employees** | | | | | | |
| Permanent | 3,034 | 967 | 32% | 2,989 | 0 | 0% |
| Other than permanent | 3,762 | 0 | 0% | 3,813 | 0 | 0% |
| **Total employees** | **6,796** | **967** | **14%** | **6,802** | **0** | **0%** |

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**02. Minimum wages paid to employees:**

| Category | 2021-22 | | | | | 2020-21 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Total (A) | Equal to minimum wage | | More than minimum wage | | Total (D) | Equal to minimum wage | | More than minimum wage | |
| | | No. (B) | % (B/A) | No. (C) | % (C/A) | | No. (E) | % (E/D) | No. (F) | % (F/D) |
| **Permanent employees** | | | | | | | | | | |
| Male | 2,906 | - | - | 2,906 | 100% | 2,872 | - | - | 2,872 | 100% |
| Female | 128 | - | - | 128 | 100% | 117 | - | - | 117 | 100% |
| **Other than permanent employees** | | | | | | | | | | |
| Male | 3,726 | - | - | 3,726 | 100% | 3,781 | - | - | 3,781 | 100% |
| Female | 36 | - | - | 36 | 100% | 32 | - | - | 32 | 100% |

**03. Remuneration | salary | wages:**

| | Male | | Female | |
|---|---|---|---|---|
| | Number | Median remuneration \| salary \| wages | Number | Median remuneration \| salary \| wages |
| Board of Directors | 10 | 22,27,500 | 1 | 13,45,000 |
| KMP (including Executive Directors) | 5 | 2,15,97,410 | 0 | 0 |
| Employees other than Board of Directors and KMP | 2,901 | 3,85,124 | 128 | 5,25,581 |

**04. Focal point (individual | committee) responsible for addressing human rights impacts or issues caused or contributed to by the business:**

Under progress

**05. Internal mechanisms to redress grievances related to human rights issues:**

The mechanism to redress grievances under human rights is same as for other grievances. An independent investigation is carried out by gathering, validating and analysing relevant information. Appropriate action(s) is(are) taken based on the recommendations.

**06. Complaints made by employees:**

| Category | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|
| | Filed | Pending resolution | Remarks | Filed | Pending resolution | Remarks |
| Sexual harassment | 0 | 0 | Not applicable | 0 | 0 | Not applicable |
| Discrimination at workplace | 0 | 0 | Not applicable | 0 | 0 | Not applicable |
| Child labour | 0 | 0 | Not applicable | 0 | 0 | Not applicable |
| Forced labour \| Involuntary labour | 0 | 0 | Not applicable | 0 | 0 | Not applicable |
| Wages | 0 | 0 | Not applicable | 0 | 0 | Not applicable |
| Other human rights related issues | **0** | **0** | Not applicable | 0 | **0** | Not applicable |

**07. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases:**

Appropriate measures such as confidentiality, protecting the complainant, etc are mentioned in the respective policies.

**08. Inclusion of human rights in business agreements and contracts:**

Adherence to human rights form a part of the business agreements and contracts.

09. **Plants and offices assessed (by the Company | statutory authorities | third parties):**

| | % assessed |
|---|---|
| Child labour | 100% |
| Forced \| involuntary labour | |
| Sexual harassment | |
| Discrimination at workplace | |
| Wages | |

10. **Corrective action taken or underway to address significant risks | concerns arising from the assessments mentioned in 09 above:**

There were no significant risks | concerns arising from the human rights assessment.

### Leadership indicators

1. **Business Processes modified | introduced as a result of addressing human rights grievances | complaints:**

The Company has not received any grievance | complaint regarding human rights.

2. **Scope and coverage of human rights due-diligence:**

The Company has not conducted human rights due-diligence.

3. **Accessibility of premises | offices to differently abled visitors:**

Please refer to 03 of Principle 3 above

4. **Assessment of value chain partners (by value):**

| | % assessed (by value) |
|---|---|
| Child labour | 93% |
| Forced \| involuntary labour | 93% |
| Sexual harassment | 93% |
| Discrimination at workplace | 93% |
| Wages | 93% |

5. **Corrective action taken or underway to address significant risks | concerns arising from the assessments as mentioned in 4 above:**

There were no significant risks | concerns arising from the assessment of value chain partners.

**Principle 6: Businesses will respect and make efforts to protect and restore the environment.**

### Essential indicators

01. **Total energy consumption (in Gigajoules) and energy intensity:**

| Parameter | 2021-22 | 2020-21 |
|---|---|---|
| Total electricity consumption (A) | 3,88,971 | 3,46,608 |
| Total fuel consumption (B) | 94,38,540 | 78,46,922 |
| Energy consumption through other sources (C) | 1,92,008 | 2,87,336 |
| Total energy consumption (A+B+C) | 1,00,19,518 | 84,80,866 |
| Energy intensity per rupee of turnover (total energy consumption \| turnover in rupees) Gigajoules per ₹ million | 203.28 | 245.11 |
| Energy intensity | Not applicable | Not applicable |

**Independent assessment | evolution | assurance by an external agency:**

Escon Tech carried out the evaluation of electricity consumption and Ernst and Young provided methodology for calculation.

**02. Sites | facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of Government of India:**

Power plant and caustic | chlorine plant have been identified as DC under PAT Scheme. The Company has started disclosing PAT targets from 2020 and will be assessed in 2023.

**03. Disclosures related to water:**

| Parameter | 2021-22 | 2020-21 |
|---|---|---|
| **Water withdrawal by source (in kL)** | | |
| i Surface water | 28,31,938 | 24,24,303 |
| ii Groundwater | 1,19,385 | 0 |
| iii Third-party water | 0 | 0 |
| iv Seawater \| desalinated water | 0 | 0 |
| v Others (rainwater storage) | 0 | 0 |
| **Total volume of water withdrawal (in kL)** (i + ii + iii + iv + v) | **29,51,323** | **24,24,303** |
| **Total volume of water consumption (in kL)** | **29,51,323** | **24,24,303** |
| **Water intensity per rupee of turnover** (water consumed/turnover) (kL per ₹ cr of revenue) | 598.77 | 700.66 |
| **Water intensity** – the relevant metric may be selected by the Company | Not applicable | Not applicable |

**Independent assessment | evaluation | assurance by an external agency:**

No assessment | evaluation | assurance has been carried out by an external agency.

**04. Coverage and implementation of zero liquid discharge (ZLD):**

ZLD is fully implemented in the Ankleshwar and Tarapur manufacturing sites. Projects are underway to make two of the four sites at Atul ZLD facilities.

**05. Air emissions other than greenhouse gas (GHG) emissions:**

| Parameter | Unit | 2021-22 | 2020-21 |
|---|---|---|---|
| NOx | T/year | 76.83 | 48.68 |
| SOx | T/year | 65.05 | 45.16 |
| Particulate matter (PM) | T/year | 10.58 | 12.78 |
| Persistent organic pollutants (POP) | Not applicable | Not applicable | Not applicable |
| Volatile organic compounds (VOCs) | Not applicable | Not applicable | Not applicable |
| Hazardous air pollutants (HAPs) | T/year | 4.25 | 4.30 |
| Others – please specify | T/year | ND | ND |

**Independent assessment | evolution | assurance by an external agency:**

Independent assessment | evolution | assurance has been carried out by Pollucon Laboratories Pvt Ltd.

**06. GHG emissions (Scope 1 and Scope 2 emissions) and their intensity:**

| Parameter | Unit | 2021-22 | 2020-21 |
|---|---|---|---|
| **Total Scope 1 emissions** | $tCO_2e$ | 8,56,434 | 7,11,746 |
| **Total Scope 2 emissions** | $tCO_2e$ | 83,179 | 72,053 |
| **Total Scope 1 and Scope 2 emissions per million ₹ of turnover** | $tCO_2e$ | 19.06 | 22.65 |
| **Total Scope 1 and Scope 2 emission intensity** (optional) | $tCO_2e$/₹ | Not applicable | Not applicable |

**Independent assessment | evolution | assurance by an external agency:**

Methodology provided by Ernst and Young.

**07. Projects related to reducing GHG emissions:**

1. decrease in steam consumption by recycling steam condensate
2. optimisation of hot water washing time of product cake
3. optimisation of steam pressure for ejectors
4. replacement of double effect vapour absorption machine with upgraded technology
5. replacement of waste heat recovery boiler and steam drum
6. utilisation of condensate as preheating in washing

**08. Waste management:**

| Parameter | 2021-22 | 2020-21 |
|---|---|---|
| **Waste generated (in metric tons)** | | |
| Plastic waste (A) | 381.00 | 289.00 |
| E-waste (B) | 920 numbers | 0 |
| Bio-medical waste (C) | 0.67 | 0.37 |
| Construction and demolition waste (D) | 0 | 0 |
| Battery waste (E) | 248 numbers | 312 numbers |
| Radioactive waste (F) | 0 | 0 |
| Other hazardous waste (G) | 64,497.90 | 58,405.22 |
| Other non-hazardous waste (H) | 80,690.84 | 97,007.64 |
| | | |
| **Waste recovered through recycling, re-using or other recovery operations (in metric tons)** | | |
| (i) Recycled | 1,39,655.84 | 1,48,468.64 |
| (ii) Reused | 0 | 0 |
| (iii) Other recovery operations | 0 | 0 |
| **Total** | **1,39,655.84** | **1,48,468.64** |
| | | |
| **Waste disposed by nature of disposal method (in metric tons)** | | |
| (i) Incineration | 0.67 | 0.37 |
| (ii) Landfilling | 5,914.00 | 7,234.00 |
| (iii) Other disposal operations | 0 | 0 |
| **Total** | **5,914.67** | **7,234.37** |

**Independent assessment | evolution | assurance by an external agency:**

No assessment | evolution | assurance has been carried out by an external agency

**09. Waste management practices and strategies adopted to reduce usage of hazardous and toxic chemicals in the products and processes and the practices adopted to manage such wastes:**

The Company has state-of-the-art research and development laboratories which has, amongst others, mandate to decrease | reuse | recycle hazardous and toxic wastes.

Hazardous and toxic wastes management SOP (SOP/INC/11) describes the procedure to collect, store, transport and dispose of hazardous and toxic wastes. Such wastes are dealt with as per the consolidation, consent and authorisation and complying with all requirements of Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016.

**10. Operations | offices in | around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones, etc) where environmental approvals | clearances are required:**

Not applicable

**11. Impact assessments of projects undertaken based on applicable laws in the current financial year:**

Nil

**12. Compliance with the applicable environmental laws | regulations | guidelines in India such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder:**

The Company is complaint with the applicable laws | regulations | guidelines.

## Leadership indicators

**1. Break-up of the total energy consumed (in Gigajoules) from renewable and non-renewable sources:**

| Parameter | 2021-22 | 2020-21 |
|---|---|---|
| **From renewable sources** | | |
| Total electricity consumption (A) | 44,557 | 70,088 |
| Total fuel consumption (B) | 0 | 0 |
| Energy consumption through other sources (C) | 0 | 0 |
| **Total energy consumed from renewable sources (A+B+C)** | **44,557** | **70,088** |
| **From non-renewable sources** | | |
| Total electricity consumption (D) | 3,44,414 | 2,76,520 |
| Total fuel consumption (E) | 94,38,540 | 78,46,922 |
| Energy consumption through other sources (F) | 1,92,008 | 2,87,336 |
| **Total energy consumed from non-renewable sources (D+E+F)** | **99,74,962** | **84,10,779** |

**Independent assessment | evolution | assurance by an external agency:**

Assessment | evolution | assurance has been carried out by Escon Tech and methodology provided by Ernst and Young.

**2. Water discharge:**

| Parameter | | 2021-22 | 2020-21 |
|---|---|---|---|
| **Destination and level of treatment (in kL)** | | | |
| (i) | To surface water | | |
| - | No treatment | - | - |
| - | With treatment – level of treatment | - | - |
| (ii) | To groundwater | | |
| - | No treatment | - | - |
| - | With treatment – level of treatment | - | - |

| Parameter | | 2021-22 | 2020-21 |
|---|---|---|---|
| (iii) | To seawater | 35,40,589 | 30,17,455 |
| - | No treatment | 0 | 0 |
| - | With treatment – level of treatment | 35,40,589 advanced treatment | 30,17,455 advanced treatment |
| (iv) | Sent to third-parties | | |
| - | No treatment | - | - |
| - | With treatment – level of treatment | - | - |
| (v) | Others | | |
| - | No treatment | - | - |
| - | With treatment – level of treatment | - | - |
| **Total water discharged (in kL)** | | **35,40,589** | **30,17,455** |

**Independent assessment | evolution | assurance by an external agency:**

Independent assessment | evolution | assurance carried out by GPCB, scheduled auditors approved by GPCB and Pollucon Laboratories.

3. **Water withdrawal, consumption and discharge in areas of water stress (in kL):**

   Not applicable

   **Independent assessment | evolution | assurance by an external agency:**

   Not applicable

4. **Scope 3 emissions and their intensity:**

   The Company has not carried out Scope 3 emissions calculation.

5. **With respect to the ecologically sensitive areas reported in 10 of essential indicators above, details of significant direct and indirect impact on biodiversity in such areas along with prevention and remediation activities:**

   Not applicable.

6. **Specific initiatives or innovative technologies or solutions undertaken to improve resource efficiency or reduce impact due to emissions | effluent discharge | waste generation:**

| No. | Initiative undertaken | Details of the initiative | Outcome of the initiative |
|---|---|---|---|
| 1. | Ammonia recovery system | Processing of crude mother liquor containing ammonia before discharging to central effluent treatment plant at Atul site (CETP) | Decrease in ammonical nitrogen concentration |
| 2. | Decrease in sludge \| effluent generation in CETP | Using NaOH lye \| spent KOH solution in place of hydrated lime in neutralisation process in CETP | Decrease in hydrated lime consumption and effluent load |
| 3. | Decrease in solid waste load | Installing paddle drier to reduce moisture content | Decrease in gypsum load |
| 4. | Development of green belt around plants and colonies | Plantation of about 6,50,000 saplings in last 12 years and development of green belt | Carbon sequestration |
| 5. | Elimination of volatile organic compounds (VOCs) and toxic chemical exposure | Equipped reactors with vents \| stacks to vapour recovery systems \| scrubbers | Reduction in process stack emissions |
| 6. | Elimination of VOCs and toxic chemical exposure | Introduction of bottom discharge centrifuge in place of top discharge for wet cake drying | Reduction in exposure to VOCs |

| No. | Initiative undertaken | Details of the initiative | Outcome of the initiative |
|---|---|---|---|
| 7. | Improve quality of effluent | Treatment of phenolic compound at source | Decrease in phenolic compound |
| 8. | Installation of multiple effect evaporator | Providing multiple effect evaporator for high total dissolved solid (TDS) streams | Decrease in TDS |
| 9. | Upgradation of one of the effluent treatment plants | Treating Ammonical nitrogen | Decrease in effluent load in CETP |

7. **Business continuity and disaster management plan:**

   The Company has a disaster management plan included in the offisite and onsite emergency plan.

   Offsite emergency rehearsals as per the plan are conducted at periodic intervals decided by external authorities at Ankleshwar, Atul and Tarapur sites.

8. **Significant adverse impact to the environment, arising from the value chain and their mitigation or adaptation measures:**

   There is no significant adverse impact to the environment arising from the value chain of the Company.

9. **Percentage of value chain partners (by value) that were assessed for environmental impact:**

   91%

**Principle 7: Businesses, when engaging in influencing public and regulatory policy, will do so in a manner that is responsible and transparent.**

## Essential indicators

1. **Affiliations with trade and industry chambers | associations**

   **Membership of | affiliation to 10 trade and industry chambers | associations**

| No. | Name | Reach |
|---|---|---|
| 01. | Basic Chemicals, Cosmetics and Dyes Export Promotion Council of India | National |
| 02. | Bombay Chamber of Commerce and Industry | National |
| 03. | Federation of Indian Export Organisations | National |
| 04. | Fragrances and Flavours Association of India | National |
| 05. | Indian Chemical Council | National |
| 06. | Indian Resins Manufacturers Association | National |
| 07. | Society of Dyers and Colourists | International |
| 08. | The Federation of Indian Chambers of Commerce and Industry | National |
| 09. | The Indian Pest Control Association | National |
| 10. | The Pesticides Manufacturers and Formulators Association of India | National |

2. **Corrective action taken or underway on any issue related to anti-competitive conduct, based on adverse orders from regulatory authorities:**

   Not applicable

## Leadership indicator

1. **Advocacy of public policy positions:**

   Not applicable.

**Principle 8: Businesses will promote inclusive growth and equitable development.**

## Essential indicators

1. **Social Impact Assessments (SIA) of projects undertaken based on applicable laws:**

   Not applicable

2. **Projects for which ongoing rehabilitation and resettlement is being undertaken:**

   Not applicable

3. **Mechanisms to receive and redress grievances of the community:**

   The Company has a process to receive and redress concerns received from the community. A site-level committee consisting of members from various departments is formed which receives the concerns and works towards its redressal.

4. **Input material (inputs to total inputs by value) sourced from local or small scale suppliers:**

| | 2021-22 | 2020-21 |
|---|---|---|
| **Directly sourced from micro, small and medium enterprises \| small producers** | ₹ 844 cr (21% of overall spend) | ₹ 700 cr (30% of overall spend) |
| **Sourced directly from within the district and neighbouring districts** | ₹ 990 cr (24% of overall spend) | ₹ 516 cr (22% of overall spend) |

## Leadership indicators

1. **Actions taken to mitigate any negative social impacts identified in the SIAs (Reference: 1 of essential indicators above):**

   Not applicable

2. **CSR projects undertaken in designated aspirational districts as identified by government bodies:**

| No. | State | Aspirational district | Amount spent (₹) |
|---|---|---|---|
| 1 | Gujarat | Narmada | ~ 1 lakh |

3. a) **Preferential procurement policy to give preference to purchase from suppliers comprising vulnerable | marginalised groups:** Internal guidelines for preferential procurement from marginalised | vulnerable groups are in place.

   b) **Vulnerable | marginalised groups from where the Company procures:** MSMEs and women-owned enterprises

   c) **Percentage of such procurement of the total (by value):** 21% of overall spend

4. **Benefits derived and shared from the intellectual properties owned or acquired based on traditional knowledge:**

   Not applicable

5. **Corrective actions taken or underway based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved:**

   Not applicable

6. **Beneficiaries of CSR projects:**

| No. | CSR project | No. of persons benefited from CSR projects | % of beneficiaries from vulnerable and marginalised group |
|---|---|---|---|
| 01. | Provision of education kits to children | 4,484 students | 100% |
| 02. | Improvement of teaching methodology for primary school children – Adhyapika | 4,446 students | 100% |
| 03. | Enhancement of educational practices in Kalyani Shala | 1,736 students | 100% |
| 04. | Support to tribal children in Atul Vidyamandir | 354 students | 100% |
| 05. | Provision of digital education through tablet laboratory | 300 students | 100% |
| 06. | Support to develop a school in economically-deprived area - West Bengal | 300 students | 100% |
| 07. | Support to develop a school in a tribal area | 192 students | 100% |
| 08. | Support to needy \| special children | 164 students | 100% |
| 09. | Promotion of learning and life skills among children | 50 students | 100% |
| 10. | Support to children with special needs | 31 students | 100% |
| 11. | Provision of scholarships to needy and meritorious students | 21 students | 100% |
| 12. | Conservation of manuscripts | 80,000 manuscripts | - |
| 13. | Contribution to publish books on Indian culture \| philosophy | 4 books | - |
| 14. | Creation of livelihood opportunities for tribal families by providing cows | 125 tribal families | 100% |
| 15. | Empowerment of women through self-help groups | 385 women | 100% |
| 16. | Empowerment of women \| youth through various vocational training courses | 195 women \| youth | 100% |
| 17. | Skill development of youth through vocational training with NABARD | 178 youth | 100% |
| 18. | Skills training to youth as apprentices | 125 youth | 100% |
| 19. | Development of micro-entrepreneurs to provide sustainable livelihood | 111 youth | 100% |
| 20. | Establishment of Atul Medical Diagnostic Centre | 10 villages | - |
| 21. | Promotion of nutrition gardens | 2,552 tribal families | 100% |
| 22. | Enhancement of rural health through health camps | 8,286 people | 100% |
| 23. | Promotion of health and well-being of adolescents and women | 1,384 women | 100% |
| 24. | Retrofitting of individual household toilets | ~ 660 individuals | 100% |
| 25. | Provision of blood units to the needy and deserted patients | 140 patients | 100% |
| 26. | Support to relief from the COVID-19 pandemic | ~ 1,400 individuals and 5 hospitals | 100% |
| 27. | Support to needy patients | 34 patients | 100% |
| 28. | Development of infrastructure in Atul and surrounding villages | 12 villages | 100% |
| 29. | Construction of walkway and streetlights | Atul and surrounding villages | - |
| 30. | Development of nature-based wastewater recycling project | 3 schools and 1 training centre | - |
| 31. | Conservation of soil and water | One village | - |
| 32. | Establishment of solid waste management system in Atul village | ~11,000 individuals | 100% |
| 33. | Conservation of energy through solar energy | 456 individuals | 100% |
| 34. | Protection of animals | 271 animals | 100% |

**Principle 9: Businesses will engage with and provide value to their consumers in a responsible manner.**

## Essential indicators

**1. Mechanisms to receive and respond to consumer complaints and feedback:**

Customer complaint portal is in place. All customer complaints are logged into 'customer complaint module'. Based on the nature of complaints, auto e-mails are triggered for action. The root cause and corrective and preventive actions are conveyed to customers. The complaint is closed after feedback (by phone | e-mail) from the customer.

Complaints are acknowledged within 48 hours and feedback is provided within seven working days.

**2. Turnover of products | services as a percentage of turnover from all products | service that carry information:**

| Information related to | As a percentage to total turnover |
|---|---|
| Environment and social parameters | 100% |
| Safe and responsible usage | 100% |
| Recycling and \| or safe disposal | 100% |

**3. Consumer complaints:**

| Category | 2021-22 | | 2020-21 | |
|---|---|---|---|---|
| | Received | Pending resolution | Received | Pending resolution |
| Data privacy | 0 | 0 | 0 | 0 |
| Advertising | 0 | 0 | 0 | 0 |
| Cyber security | 0 | 0 | 0 | 0 |
| Delivery of essential services | 1 | 0 | 0 | 0 |
| Restrictive trade practices | 0 | 0 | 0 | 0 |
| Unfair trade practices | 0 | 0 | 0 | 0 |
| Others | 247 | 0 | 227 | 0 |

**4. Product recalls on account of safety issues:**

| | Number | Reason |
|---|---|---|
| Voluntary recalls | **0** | Not applicable |
| Forced recalls | **0** | Not applicable |

**5. Framework | policy on cyber security and risks related to data privacy:**

The Company has Information Security Policy in place to ensure that the data stored in the end user devices is protected.

**6. Corrective action taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty | action taken by regulatory authorities on safety of products | services:**

There were no issues relating to advertising, delivery of essential services, cyber security and data privacy of customers. There was no re-occurrence of product recall. No penalty was levied or action was taken by any regulatory authority on account of any deficiency relating to safety of products | services in the financial year.

### Leadership indicators

1. **Channels, platforms and URL where information on products and services can be accessed:**

   www.atul.co.in

2. **Steps taken to inform and educate consumers about safe and responsible use of products and (or) services:**

   The Company shares material safety data sheets, technical data sheets and product labels on packaging in accordance with globally harmonised system regulations. For liquid chemicals, transport emergency cards are provided to transporters and training is imparted periodically to them and customers on safe handling. Interactions with farmers are arranged through Krishi Vigyan Kendras, farmer field days training sessions, etc.

3. **Mechanisms to inform consumers of any risk of disruption | discontinuation of essential services:**

   The customers are intimated regarding scheduled annual maintenance shutdown a few weeks in advance. For key customers, tentative schedules of annual maintenance shutdown are shared at least three months in advance. In case of any unforeseen disruptions in supply, information is conveyed through e-mail and telephone.

4. **Display of product information and customer satisfaction survey:**

   The Company provides information related to Chemical Abstracts Service number, European Community number, synonyms, hazard statement, precautionary statements, etc over and above what local law mandates.

   The Company has a practice to carry out customer satisfaction surveys for major products at regular intervals.

5. **Data breaches:**

   a. Number of instances of data breaches along with impact: nil

   b. Percentage of data breaches involving personally identifiable information of customers: not applicable

**Note: Serial numbers are in accordance with Annexure-1 of notification of SEBI on Business Responsibility and Sustainability Report.**

# Notice

NOTICE is hereby given that the 45th Annual General Meeting of the members of Atul Ltd will be held on Friday, July 29, 2022, at 10:30 am through video conferencing | other audiovisual means to transact the following businesses:

## Ordinary business

1. To receive, consider and adopt:

    i) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022, and the Reports of the Directors and the Auditors thereon and

    ii) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022, and the Report of the Auditors thereon.

2. To declare dividend on equity shares.

3. To appoint a Director in place of Mr Gopi Kannan Thirukonda (Director identification number: 00048645) who retires by rotation and being eligible, offers himself for reappointment.

4. To consider and, if thought fit, to pass with or without modifications, the following resolution as an ordinary resolution:

    "RESOLVED THAT pursuant to the provisions of Section 139 and 140 of the Companies Act, 2013 and pursuant to the Companies (Audit and Auditors) Rules, 2014, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Deloitte Haskins & Sells LLP, Chartered Accountants, firm registration number 117366W | W-100018 be and they are hereby reappointed as the Statutory Auditors of the Company for a second term of five years to hold the office from the conclusion of this Annual General Meeting (AGM) till the conclusion of 50th AGM at a remuneration to be decided by the Board or its Committee."

## Special business

5. To consider and, if thought fit, to pass with or without modifications, the following resolution as a special resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), approval be and is hereby accorded to the reappointment of Mr Bharathy Mohanan (Director identification number: 00198716) as a Whole-time Director of the Company, and his receiving of remuneration, including minimum remuneration from January 01, 2023 to May 25, 2025, as per the draft agreement submitted to this meeting and for identification initialed by the Chairman.

    RESOLVED FURTHER THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions and the draft of agreement as approved vide this resolution as may be deemed fit from time to time, which may have the effect of increasing the remuneration and for considering modifications, if any, by the Central Government in regard to the policy | guidelines pertaining to managerial remuneration and for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient, necessary, proper or in the best interest of the Company."

6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as a special resolution:

    "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, 160 read with Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr Pradeep Banerjee (Director identification number: 02985965), in respect of whom the Company has received a Notice in writing from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five years from May 01, 2022 to April 30, 2027."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an ordinary resolution:

    "RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 3.10 lakhs plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending March 31, 2023, as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, firm registration number: 000010 for conducting cost audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers be and is hereby ratified and confirmed."

## Notes

01. The 45th Annual General Meeting (AGM) is being held through video conferencing | other audiovisual means (VC) in accordance with the procedure prescribed in circular number 20 | 2020 dated May 05, 2020, read with circular number 2 | 2022 dated May 05, 2022, issued by the Ministry of Corporate Affairs and circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, read with circular number SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022, issued by the Securities and Exchange Board of India (the e-AGM circulars). The members can attend the AGM through VC by following instructions given in Note number 19.4 of the Notice. For the purpose of recording the proceedings, the AGM will be deemed to be held at the registered office of the Company at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India. Keeping in view the guidelines to fight the COVID-19 pandemic, the members are requested to attend the AGM from their respective locations by VC and not to visit the registered office to attend the AGM.

02. Since the Annual General Meeting (AGM) is being held pursuant to the e-AGM circulars through video conferencing | other audiovisual means, physical attendance of the members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence, the Proxy Form, Attendance Slip and route map of the AGM venue are not annexed to this Notice. However, a member may appoint a representative as per applicable provisions of the Companies Act, 2013 to attend and | or vote.

03. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2022, are annexed | attached.

04. The Register of Members and Share Transfer Books of the Company will remain closed from July 16, 2022, to July 22, 2022 (both days inclusive).

05. The dividend, if approved, will be paid to those members whose names stand on the Register of members on July 15, 2022.

    The members holding shares in the electronic form may please note that:

    i) Instructions regarding bank details that they wish to incorporate in future dividend warrants must be submitted to their Depository Participants (DPs). As per the regulation of National Securities Depository Ltd and Central Depository Services (India) Ltd, the Company is obliged to print bank details as furnished by these depositories, on the dividend warrants.

    ii) Instructions already given by the members for shares held in the physical form will not be automatically applicable to the dividend paid on shares held in the electronic form. Fresh instructions regarding bank details must be given to the DPs.

    iii) Instructions regarding change in address, nomination and power of attorney must be given directly to the DPs.

06. The members may note that the Income Tax Act, 1961, as amended mandates that dividends paid or distributed by a company, will be taxable in the hands of the members. The Company will therefore be required to deduct Tax at Source (TDS) at the time of making the final dividend. In order to enable the Company to determine the appropriate TDS rate as applicable, the members are requested to submit the documents in accordance with the provisions of the Income Tax Act, 1961.

    i) For resident members, TDS will be deducted under Section 194 of the Income Tax Act, 1961 at 10% on the amount of dividend declared and paid by the Company during the financial year 2022-23, provided PAN is registered by the members. If PAN is not registered, TDS will be deducted at 20% rate as per Section 206AA of the Income Tax Act, 1961.

    However, no tax will be deducted on the dividend payable to resident individuals if the total dividend to be received by them during the financial year 2021-22 does not exceed ₹ 5,000. Please note that this includes the future dividends, if any, which may be declared by the Board in the financial year 2022-23.

    Separately, in cases where the shareholder provides Form 15G (applicable to any person other than a company or a firm) | Form 15H (applicable to an individual above the age of 60 years), provided that the eligibility conditions are being met, no TDS will be deducted.

    ii) For non-resident members, taxes are required to be withheld in accordance with the provisions of Section 195 of the Income Tax Act, 1961 at the rates in force. As per the relevant provisions of the Income Tax Act, 1961, the withholding tax will be at 20% rate (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90 of the Income Tax Act, 1961, the non-resident members have the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the members, if they are more beneficial to them. For this purpose, that is, to avail the tax treaty benefits, the non-resident members will have to provide the following:

a) Self-attested copy of Tax Residency Certificate (TRC) obtained from the tax authorities of the country of which the members are a resident.

b) Self-declaration in Form 10F if all the details required in this form are not mentioned in the TRC.

c) Self-attested copy of the PAN card allotted by the Indian income tax authorities.

d) Self-declaration, certifying the following points:

- The members are and will continue to remain tax residents of the countries of their residence during the financial year 2022-23
- The members are eligible to claim the beneficial DTAA rate for the purposes of tax withholding on the dividend declared by the Company
- The members have no reason to believe that their claim for the benefits of the DTAA are impaired in any manner
- The members are the ultimate beneficial owners of their shareholding in the Company and dividend receivable from the Company
- The members do not have taxable presence or permanent establishments in India during the financial year 2022-23

07. Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction | withholding on dividend amounts. Application of the beneficial DTAA rate will depend upon the completeness and satisfactory review of the documents submitted by the non-resident members, by the Company.

08. Accordingly, in order to enable the Company to determine the appropriate TDS | withholding tax rate applicable, the Company vide its e-mail dated, June 17, 2022, requested the members to provide the above mentioned details and documents by Friday, July 15, 2022.

09. Kindly note that the aforementioned documents were required to be submitted at dividend@atul.co.in on or before Friday, July 15, 2022, in order to enable the Company to determine and deduct an appropriate TDS | withholding tax rate. It may be further noted that in case the tax on said dividend is deducted at a higher rate in absence of receipt of the aforementioned details | documents from the members, there will still be an option available with the members to file the return of income and claim an appropriate refund, if eligible.

10. The Company will arrange to e-mail the soft copies of TDS certificates to the members at their registered e-mail addresses in due course, post payment of the dividend.

11. Unpaid dividend payable to the members in respect of the 27th dividend onwards, that is, from the financial year ended March 31, 2015, will be transferred to the Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividends as to when they are due for transfer to the said fund is given below:

| Dividend | Financial year ended | Date of declaration of dividend | Rate of dividend | Expected date of transfer of unpaid dividend to IEPF |
|---|---|---|---|---|
| 27th | March 31, 2015 | August 04, 2015 | 85% | August 03, 2022 |
| 28th | March 31, 2016 | July 29, 2016 | 100% | July 28, 2023 |
| 29th | March 31, 2017 | July 28, 2017 | 100% | July 27, 2024 |
| 30th | March 31, 2018 | July 27, 2018 | 120% | July 26, 2025 |
| 31st | March 31, 2019 | July 31, 2019 | 150% | July 30, 2026 |
| 32nd special interim dividend | March 31, 2020 | October 25, 2019 | 125% | October 24, 2026 |
| 33rd interim dividend | March 31, 2020 | March 11, 2020 | 150% | March 10, 2027 |
| 34th | March 31, 2021 | July 30, 2021 | 200% | July 29, 2028 |

No claim will lie from the members once the transfers are made to the said funds. The members who have not encashed their dividend warrants are requested to encash the same before the said transfer, in their own interest.

12. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company has transferred the equity shares in respect of which dividend has not been claimed | encashed for seven or more consecutive years to the Investor Education and Protection Fund of the Central Government during the financial year 2021-22. The Company regularly sends letters to the members whose dividend has not been claimed | encashed for seven or more consecutive years. The details of such members are posted on the

website of the Company at www.atul.co.in/investors/dividends Please note that the shares transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.

13. An electronic copy of the annual report for 2021-22, including the Notice which includes the process and manner of attending the Annual General Meeting through video conferencing | other audiovisual means, and e-voting is being sent to all the members whose e-mail addresses are registered with the Company | Depository Participants.

14. Printed copies of the annual report (including the Notice) are not being sent to the members in view of the e-AGM circulars.

15. The members who have not registered their e-mail addresses are requested to register them with the Company to receive e-communication from the Company. For registering an e-mail address, the members are requested to follow these steps:

    i) The members holding shares in the physical mode are requested to provide their names, folio numbers, mobile numbers, e-mail addresses, scanned copies of share certificate(s) (both sides), self-attested PAN and Aadhar cards through e-mail on shareholders@atul.co.in

    ii) The members holding shares in the dematerialised mode are requested to provide their names, depository participant and client IDs, mobile numbers, e-mail addresses, scanned copies of self-attested client master or consolidated account statements through e-mail on shareholders@atul.co.in

16. The members may note that the Notice of the Annual General Meeting and the annual report for 2021-22 will also be available on the website of the Company, www.atul.co.in, which can be downloaded. The electronic copies of the documents that are referred to in this Notice but not attached to it will be made available for inspection. For inspection, the members are requested to send a request through e-mail on shareholders@atul.co.in with their depository participant and client IDs or folio numbers.

17. Electronic copy of the Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the members on request by sending an e-mail on shareholders@atul.co.in

18. The members desiring any information relating to the accounts or having any questions, are requested to write to the Company on shareholders@atul.co.in at least seven days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the responses ready and expeditiously provide them at the AGM, as required.

19. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 and the e-AGM circulars, the Company is pleased to provide the members with the facility to attend the Annual General Meeting (AGM) through video conferencing | other audiovisual means (VC) and exercise their right to vote at the AGM by electronic means. The business will be transacted through remote e-voting prior to and during the AGM.

19.1. The instructions for remote e-voting for the individual members holding shares in the dematerialised (demat) form are given below:

| | |
|---|---|
| Having share holding with Central Depository Services (India) Ltd (CDSL) | i. The members registered on the CDSL Myeasi facility are requested to follow the steps given below:<br>a. Log on to web.cdslindia.com/myeasi/home/login using the existing user ID and password.<br>b. Go to the e-voting menu.<br>c. Go to the link of the respective e-voting service provider.<br>d. Follow the steps given at Note number 19.2.5 - from step ii) to vii).<br>ii. The members not registered on the CDSL Myeasi facility are requested to follow the steps given below for the first-time registration:<br>a. Go to the Myeasi website: web.cdslindia.com/myeasi/Registration/EasiRegistration<br>b. Enter the 16-digit beneficiary ID.<br>c. Enter Permanent Account Number (PAN) in capital letters followed by first four digits of the Date of Birth (DoB), in the DDMM format) of the first \| sole holder.<br>d. Tick the checkbox of 'terms and conditions' and click on 'Submit'.<br>e. A One-time password (OTP) will be sent on the registered mobile numbers of the members.<br>f. Enter the OTP in the OTP box and click on 'Submit'.<br>g. The registration form will appear, fill the form to create a username, password and an answer to the secret question and click on 'Continue' |

| | |
|---|---|
| | h. The message 'Successfully registered' will appear.<br>i. A list of other demat account(s) available for grouping will appear.<br>j. Select the other demat accounts to club in single login of Myeasi.<br>k. Click on 'Continue'.<br>l. The message 'Registration Completed' will appear.<br>m. Log on to web.cdslindia.com/myeasi/home/login using user ID and password.<br>n. Go to the e-voting menu.<br>o. Go to the link of respective e-voting service provider.<br>p. Follow the steps given at Note number 19.2.5 - from step ii) to vii). |
| Having shareholding with National Securities Depository Ltd (NSDL) | i. The members registered on the NSDL IDeAS facility are requested to follow the steps given below:<br>a. Log on to eservices.nsdl.com<br>b. Go to the IDeAS section and log in through Beneficial Owner using the existing user ID and password.<br>c. Click on "Access to e-voting".<br>d. Click on e-voting.<br>e. Follow the steps given at Note number 19.2.5 - from step ii) to vii).<br>ii. The members not registered on the NSDL IDeAS facility are requested to follow the steps given below for the first-time registration:<br>a. Go to the IDeAS website: eservices.nsdl.com<br>b. Click on 'Register Online for IDeAS'.<br>c. Enter the eight-character depository participant (DP) ID followed by the eight-digit client ID and registered mobile number.<br>d. Select any of the following options for verification of the demat account:<br>Option 1: Bank account – enter the last four digits of the bank account.<br>Option 2: One-time password (OTP) – enter the six-digit OTP sent on the registered mobile number.<br>e. Fill in personal information and click on 'Submit'.<br>f. Confirm details.<br>g. A message 'Successfully registered' will appear.<br>h. Log on to eservices.nsdl.com<br>i. Go to the IDeAS section and log in through Beneficial Owner using the user ID and password.<br>j. Click on "Access to e-voting".<br>k. Click on e-voting.<br>l. Follow the steps given at Note number 19.2.5 - from step ii) to vii). |
| Log in through Depository Participants | i. E-voting can be done through Depository Participant registered with NSDL \| CDSL by using login credentials of the demat account.<br>ii. Click on the e-voting option and the members are redirected to the NSDL \| CDSL Depository website.<br>iii. Click on the e-voting link for casting the e-vote.<br>iv. Follow the steps given at Note number 19.2.5 - from step ii) to vii). |
| Log in through Depository by OTP | Alternatively, the members can directly access e-Voting without registration, through OTP as below:<br>i. The members holding shares with CDSL may log on to www.evotingindia.com and click on "Shareholders \| Members", enter the DP ID followed by the eight-digit client ID and PAN.<br>ii. The members holding shares with NSDL may log on to the www.evoting.nsdl.com and click on "Shareholder \| Member", enter the DP ID followed by the eight-digit client ID.<br>The system will authenticate the members by sending OTP on registered mobile numbers and e-mail addresses as recorded with the DPs. After successful authentication, the members will be provided the links for e-voting.<br>Follow the steps given at Note number 19.2.5 - from step ii) to vii). |

19.2. The instructions for remote e-voting by the members other than those referred in Note number 19.1 are as under:

19.2.1. Log on to the e-voting website: www.evotingindia.com

19.2.2. Click on the 'Shareholders' tab.

19.2.3. Enter user ID as determined in the following table:

| | |
|---|---|
| User ID for the members holding shares in the demat form with CDSL | the 16-digit beneficiary ID |
| User ID for the members holding shares in the demat form with NSDL | the eight-character depository participant (DP) ID followed by the eight-digit client ID |
| User ID for the members holding shares in the physical form | the folio numbers of the shares held in the Company |

19.2.4. Enter image verification details as displayed on the screen and click on 'Login'.

19.2.5. The members who are already registered with CDSL and have exercised e-voting through www.evotingindia.com earlier may follow the steps given below:

i) Use the existing password.

ii) Click on the electronic voting serial number 220608006 of Atul Ltd to vote.

iii) The 'Resolution description' message will appear on the e-voting page with 'Yes | No' options for e-voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies assent and option 'No' implies dissent to the resolution.

iv) Click on the 'Resolutions file link' to view the details.

v) After selecting the resolution, click on the 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok'; else click on 'Cancel'.

vi) After voting on a resolution, the members will not be allowed to modify their votes.

vii) A print of the e-voting done may be taken by clicking on the 'Click here to print' tab on the e-voting page.

viii) In case the members holding shares in the demat form forget their password, they can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.

19.2.6. The members (holding shares in the demat | physical form) who are not already registered with CDSL and are using the e-voting facility for the first time may follow the steps given below:

i) Register as under:

a) The members who have already submitted their Permanent Account Number (PAN) to the Company | DP may enter their 10-digit alpha-numeric PAN issued by the Income Tax department. Others are requested to use the sequence number in the PAN field. The sequence number is mentioned in the e-communication.

b) Enter date of birth (DoB) as recorded in the demat account or in the records of the Company for the said demat account or folio in the dd | mm | yyyy format or

Enter the dividend bank details (DBD) as recorded in the demat account or in the records of the Company for the said demat account or folio

Or If the DoB or DBD details are not recorded with the DP or the Company, enter the member ID | folio number in the DBD field as under:

| | |
|---|---|
| User ID for the members holding shares in the demat form with CDSL | the 16-digit beneficiary ID |
| User ID for the members holding shares in the demat form with NSDL | the eight-character depository participant (DP) ID followed by the eight-digit client ID |
| User ID for the members holding shares in the physical form | the folio numbers of the shares held in the Company |

ii) After entering these details appropriately, click on 'Submit'.

iii) The members holding shares in the physical form will reach the Company selection screen. However, the members holding shares in the demat form will reach the 'Password creation' menu and will have to enter the login password in the 'new password' field. It is strongly recommended not to share the password with any other person and take utmost care to keep it confidential.

iv) The members holding shares in the physical form can use login details only for e-voting on the resolutions contained in this Notice.

v) Click on the electronic voting serial number 220608006 of Atul Ltd to vote.

vi) The 'Resolution description' message will appear on the voting page with 'Yes | No' options for voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies assent and option 'No' implies dissent to the resolution.

vii) Click on the 'Resolutions file link' to view the details.

viii) After selecting the resolution, click on the 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok'; else click on 'Cancel'.

ix) After voting on a resolution, the members will not be allowed to modify their votes.

x) A print of the e-voting done may be taken by clicking on the 'Click here to print' tab on the e-voting page.

xi) In case the members holding shares in the demat form forget their passwords, they can enter the user ID and the image verification details and click on 'Forgot password' to generate a new one.

19.2.7. Note for the non-individual members and the Custodians:

i) The non-individual members (that is, other than individuals, Hindu Undivided Family, non-resident individual) and custodians are required to log on to www.evotingindia.com and register themselves as Corporates.

ii) A scanned copy of the registration form bearing the stamp and sign of the entity will be e-mailed by the members to helpdesk.evoting@cdslindia.com

iii) After receiving the login details, a Compliance user will be created using the admin login and password. The Compliance user will be able to link the account(s) for which they wish to vote on.

iv) The list of accounts will be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, votes can be cast.

v) A scanned copy of the Board Resolution and Power of Attorney issued in favour of the Custodian, if any, will have to be uploaded in the portable document format in the system for verification by the Scrutiniser.

19.2.8. The members can also use mobile application 'm-Voting' of CDSL for e-voting using their e-voting credentials.

19.2.9. The remote e-voting period commences on July 26, 2022 (at 9:00 am) and ends on July 28, 2022 (at 5:00 pm). During this period, the members holding shares either in the physical form or in the demat form, as on the cut-off date of July 22, 2022, may cast their votes electronically. The remote e-voting module will be disabled by CDSL for voting after the said period. Once the votes on a resolution are cast members who have not cast their votes through remote e-voting may cast their votes during the AGM by attending the AGM through VC by following the aforesaid process.

19.2.10. The voting rights of the members will be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of July 22, 2022.

19.3. The instructions for e-voting during the AGM are as under:

19.3.1. The facility for voting through ballot | polling paper will not be available. The members attending the AGM through VC and who have not cast their votes through remote e-voting will be able to exercise their voting rights during the AGM through the e-voting facility. The members who have already cast their votes through remote e-voting may attend the AGM, but will not be able to cast their votes again.

19.3.2. The procedure for e-voting during the AGM is same as per the instructions mentioned in Note numbers 19.1 and 19.2, as the case may be, for remote e-voting.

i) Only those members who will be present at the AGM through VC and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, will be eligible to vote through e-voting system available in the AGM.

ii) If any votes are cast by the members through e-voting available during the AGM without participating in the AGM through VC, then the votes cast by such members will be considered invalid as the facility of e-voting during the AGM is available only to the members participating in the AGM.

19.4. The Company has availed services of Cisco WebEx to provide the VC facility to the members to attend the AGM in collaboration with CDSL. More than 1,000 members, excluding promoters, large shareholders (holding 2% or more shares in the Company), Directors, Key Managerial Personnel, Auditors and the Chairmen of Committees of the Board, can participate in the AGM through VC on a first-come, first-served basis.

19.4.1. The instructions for attending the AGM through VC are as under:

iii) The individual members holding shares in the demat form can log in at any time starting from 10:15 am on July 29, 2022, as per Note number 19.1.

iv) Other members can log in to www.evotingindia.com during any time starting from 10:15 am on July 29, 2022, and follow the steps mentioned below:

a) Click on the 'Shareholders | Members' tab.

b) The 'Shareholders | Members' message will appear, enter user ID | verification code and click on the 'Log in' tab. If the members are not having remote e-voting login credentials, then they may create the same by following the instructions given in Note number 19.2.6.

c) When 'Character validation was successful. Kindly enter other login details to proceed' appears, enter password in the 'Password' tab and click on the 'Submit' tab.

v) When 'Member Voting Screen' appears, click on the 'Click Here' tab on the Live Streaming column.

vi) When the message 'This is external link, are you sure you want to continue' appears, click on the 'OK' tab to proceed.

vii) When 'Event information' appears, enter first name and last name and click on the 'Join Now' tab.

viii) When 'Meeting room joining confirmation' appears, click on the 'Join Event' tab.

19.4.2. The members are encouraged to join the meeting through laptops for better experience. The members will be required to ensure high-definition web cameras and high-speed internet connectivity to avoid any disturbance during the AGM.

19.4.3. The participants connecting through mobile devices | tablets | laptops using mobile hotspots may experience audio | video loss due to fluctuations in their respective networks. It is therefore recommended to use a stable Wi-Fi | LAN connection to mitigate such possible glitches.

19.4.4. The members who wish to express their views | ask questions during the AGM are requested to register themselves as speakers by providing their names, demat account numbers | folio numbers, e-mail addresses, mobile | telephone numbers along with questions, if any, to the Company on shareholders@atul.co.in Such requests need to reach the Company at least seven days before the date of the AGM.

19.4.5. Those members who have registered themselves as speakers may only be allowed to express their views | ask questions during the AGM.

19.5. In case of queries or issues regarding e-voting or attending the AGM through VC, the members may refer to the 'frequently asked questions' and e-voting manual available at www.evotingindia.com under the 'help' section. The members may also contact Mr Rakesh Dalvi, Manager, Central Depository Services (India) Ltd, 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, Maharashtra, India, e-mail address: helpdesk.evoting@cdslindia.com, telephone: (+91 22) 23058542 | 43 or Ms Sarita Mote, National Securities Depository Ltd, 4th Floor, Trade World A wing, Kamala Mills Compound, Lower Parel, Mumbai 400 013, Maharashtra, India, e-mail address: evoting@nsdl.co.in, telephone: 1800 1020 990 or Mr Nilesh Dalwadi, Team Member, Link Intime India Pvt Ltd, 506-508, Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, e-mail address: nilesh.dalwadi@linkintime.co.in, telephone: (+91 79) 26465179 | 86 | 87 or Mr Tejas Panchal, Manager, Atul Ltd, Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India, e-mail address: shareholders@atul.co.in, telephone: (+91 79) 26461294 | 26463706 or Mr Ankit Patadiya, Joint Manager, Atul Ltd, e-mail address: legal@atul.co.in, telephone: (+91 2632) 230400.

19.6. SPANJ & Associates, Company Secretaries has been appointed as the Scrutiniser to scrutinise the remote e-voting and the voting process at the AGM in a fair and transparent manner.

19.7. The Scrutiniser will within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman of the Company.

19.8. The results will be declared at or after the AGM. The results declared along with the Scrutiniser's Report will be placed on www.atul.co.in, the website of the Company and on www.evotingindia.com the website of CDSL within two days of passing of the resolutions at the AGM and also will be communicated to the BSE Ltd and the National Stock Exchange of India Ltd.

20. At the ensuing Annual General Meeting, Mr Gopi Kannan Thirukonda retires by rotation and being eligible, offers himself for reappointment. The information or details required as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to him are as under:

| **Name** | **Mr Gopi Kannan Thirukonda** |
|---|---|
| Date of birth | March 30, 1959 |
| Brief résumé | Mr Gopi Kannan Thirukonda joined the Company on October 29, 1993 and is a Whole-time Director since October 17, 2014. He is a member of the Stakeholders Relationship Committee and the Risk Management Committee of the Board.<br>Mr Thirukonda has 37 years of experience in various capacities and is currently the Chief Financial Officer.<br>Mr Thirukonda holds a graduate degree in Science from University of Madras and a postgraduate diploma in management from 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. |
| Directorship in other companies | **Public companies**<br>Amal Ltd<br>Atul Bioscience Ltd<br>Atul Polymer Products Ltd – Chairman<br>Atul Fin Resources Ltd<br>Atul Finserv Ltd – Chairman<br>Atul Nivesh Ltd<br>Atul Rajasthan Date Palms Ltd<br>Rudolf Atul Chemicals Ltd<br>**Foreign companies**<br>Atul China Ltd – Chairman<br>Atul Deutschland GmbH – Chairman |
| Membership in committees of other companies | **Chairman of committees**<br>Rudolf Atul Chemicals Ltd – Corporate Social Responsibility Committee<br>**Member of committees**<br>Amal Ltd – Corporate Social Responsibility Committee<br>Amal Ltd – Stakeholders Relationship Committee<br>Atul Bioscience Ltd – Audit Committee<br>Atul Bioscience Ltd – Corporate Social Responsibility Committee<br>Rudolf Atul Chemicals Ltd – Audit Committee<br>Rudolf Atul Chemicals Ltd – Nomination and Remuneration Committee |
| Relationship with other Directors | None |
| Number of shares held in the Company | 50 |

21. At the ensuing Annual General Meeting:

i) Mr Bharathy Mohanan is proposed to be reappointed as a Whole-time Director effective January 01, 2023

ii) Mr Pradeep Banerjee is proposed to be appointed as an Independent Director effective May 01, 2022

The information or details required as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to them are given in the explanatory statement.

By order of the Board of Directors

(Lalit Patni)
**Company Secretary and Chief Compliance Officer**

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
Corporate identity number: L99999GJ1975PLC002859
April 26, 2022

## Explanatory statement

The following explanatory statement, as required by Section 102 of the Companies Act, 2013 and Regulation 36(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, sets out material facts, including the nature and concern or interest of the Directors in relation to the item numbers 4, 5 and 6 mentioned in the accompanying Notice:

**Item number 4**

Deloitte Haskins & Sells LLP, Chartered Accountants (DHS) were appointed as the Statutory Auditors of the Company at the 40th Annual General Meeting (AGM) held on July 28, 2017, until the conclusion of the 45th AGM. The first term of five years of DHS is expiring at the ensuing AGM. Pursuant to Section 139 of the Companies Act, 2013 and Rules made thereunder, the Company can reappoint DHS for a second term of five years. Accordingly, based on the recommendation of the Audit Committee, the Board at its meeting held on April 26, 2022, recommended the reappointment of DHS, as the Statutory Auditors of the Company for a second term of five years. DHS will hold the office for a further period of five consecutive years from the conclusion of the 45th AGM of the Company till the conclusion of the 50th AGM to be held in the year 2027. DHS have given their consent to act as the Auditors and confirmed their eligibility for appointment and eligibility certificate to the effect that, their reappointment, if made, would be in compliance with the applicable laws.

The proposed remuneration to be paid to DHS for the first year of second term is ₹ 39.87 lakhs, excluding taxes and out-of-pocket expenses. The remuneration to be paid to DHS during for remaining four years of the second term will be mutually agreed between the Board of Directors and the Statutory Auditors, from time to time.

DHS is registered with the Institute of Chartered Accountants of India, firm registration number: 117366W | W-100018. The firm has 156 partners and around 4,000 professionals and staff. It has offices in Ahmedabad, Bangalore, Chennai, Coimbatore, Delhi, Goa, Hyderabad, Jamshedpur, Kochi, Kolkata, Mumbai, and Pune. The size, quality of audit services and volume of operations of DHS is commensurate with the size and audit requirements of the Company.

**Memorandum of interest**

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item number 5**

The members in the AGM held on July 31, 2019, had appointed Mr Bharathy Mohahan as a Whole-time Director of the Company for a period of three years, effective January 01, 2020. The current term of his office is due to expire on December 31, 2022. It is now proposed to reappoint him as a Whole-time Director of the Company from January 01, 2023 to May 25, 2025. On the recommendation of the Nomination and Remuneration Committee, the Board approved the proposal for his reappointment as a Whole-time Director. His brief résumé is given below:

| **Name** | **Mr Bharathy Mohanan** |
|---|---|
| Date of birth | May 26, 1 950 |
| Brief résumé | Mr Bharathy Mohanan joined the Company on August 29, 1992 and is a Whole-time Director since January 01, 2009. He is a member of the Corporate Social Responsibility Committee and the Risk Management Committee of the Board.<br>Mr Mohanan has 51 years of experience in various capacities and is currently the President, Utilities and Services and the Occupier. He is also the Managing Director of Atul Biospace Ltd and Atul Rajasthan Date Palms Ltd.<br>Mr Mohanan holds a graduate degree in Engineering (Honors) from the University of Calicut. |
| Directorship in other companies | **Public companies**<br>Aasthan Dates Ltd – Chairman<br>Atul Biospace Ltd – Managing Director<br>Atul Clean Energy Ltd – Chairman<br>Atul Finserv Ltd<br>Atul Rajasthan Date Palms Ltd – Managing Director<br>Atul Seeds Ltd<br>Biyaban Agri Ltd – Chairman<br>Raja Dates Ltd – Chairman<br>Sehat Foods Ltd<br>**Foreign companies**<br>Atul Middle East FZ-LLC<br>DPD Ltd |
| Membership in committees of other companies | **Member of committees**<br>Atul Rajasthan Date Palms Ltd – Nomination and Remuneration Committee |
| Relationship with other Directors | None |
| Number of shares held in the Company | 5,800 |

The terms of reappointment of Mr Mohanan are in accordance with applicable provisions of the Companies Act, 2013.

The terms and conditions of the reappointment of Mr Mohanan are set out in the draft agreement, which are placed before the AGM.

The material terms of the draft agreement are as under:

I. Responsibilities:

Mr Mohanan will have responsibilities of overall supervision of Utilities and Services Unit. He will also discharge the responsibility of the Occupier. In addition, he will also be responsible for any other duties as may be assigned to him by the Chairman and Managing Director or the Board.

II. Remuneration:

During tenure, he will be paid remuneration as below:

1) Basic salary of ₹ 3,98,942/- per month. The basic salary may be increased from time to time by the Nomination and Remuneration Committee at its absolute discretion within his contractual period from January 01, 2023 to May 25, 2025; however, the maximum basic salary payable will not exceed ₹ 5,92,000/- per month.

2) Allowances | Benefits of ₹ 4,38,187/- per month which may be revised from time to time up to ₹ 5,99,000/- per month.

3) Variable pay as per policy of the Company.

4) Perquisites

a) Housing: the Company will provide residential accommodation with water and electricity or pay house rent allowance as per its policy.

b) Furnishing: the Company will provide furniture and fixtures as per its policy.

c) Medical reimbursement: the Company will reimburse medical expenses incurred as per its policy.

d) Leave travel assistance: the Company will provide leave travel assistance for self and family once in a year as per its policy.

e) Personal accident insurance | Medical insurance: the Company will provide personal accident insurance and medical insurance as per its policy.

f) Car: the Company will provide a car at its entire cost as per its policy.

g) Car driver wages | fuel | maintenance: the Company will reimburse for car driver wages, fuel and maintenance as per its policy.

h) Communication devices: the Company will provide a landline telephone at residence and other communication devices as per its policy.

5) Retirals

a) The Company will contribute towards provident fund and superannuation fund provided that such contributions either singly or put together do not exceed the limit prescribed under Section 36(l)(iv) of Income Tax Act, 1961 read with Rule 87 of Income Tax Rules, 1962.

b) The Company will pay gratuity as per its policy. The period worked under this contract will be in continuum of the service already considered under the policy.

c) The Company will grant full pay and allowances leaves, not exceeding one month for every 11 months of service. Unavailed accumulated leaves lying unencashed may also be carried forward to the next tenure, if any.

III. Mr Mohanan will not be entitled to sitting fees for attending meetings of the Board and | or Committees thereof. He will, however, be reimbursed for the actual travelling, lodging, boarding and out-of-pocket expenses incurred by him for attending meetings of the Board or Committees thereof.

IV. The above remuneration and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under the applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Mohanan will be paid minimum remuneration subject to Schedule V of the Companies Act, 2013.

V. Mr Mohanan will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

VI. The Directors are at liberty to appoint more than one Whole-time Director.

VII. A notice period of six months or payment in lieu thereof will be applicable from either side.

The Board considers that his association will be of immense benefit to the Company. Accordingly, the Board recommends the resolution in item number 5 in the Notice in relation to reappointment of Mr Mohanan as a Whole-time Director from January 01, 2023 to May 25, 2025, for the approval by the members as a special resolution.

**Memorandum of interest**

The nature of the concern or interest of Mr Mohanan, Whole-time Director, is that the above resolution pertains to his agreement with the Company and he will be receiving the remuneration as stated therein, if approved. None of the other Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

**Item number 6**

The Board of Directors (Board), on the recommendation of the Nomination and Remuneration Committee, appointed Mr Pradeep Banerjee as an Additional Director effective May 01, 2022. Subject to the approval of the members, the Board also appointed Mr Banerjee, as an Independent Director for a term of five consecutive years from May 01, 2022 to April 30, 2027. His brief résumé is as under:

| **Name** | **Mr Pradeep Banerjee** |
|---|---|
| Date of birth | October 19, 1958 |
| Brief résumé | Mr Pradeep Banerjee was appointed by the Board as an Independent Director effective May 01, 2022.<br>Mr Banerjee has about four decades of experience in customer service, manufacturing, marketing, logistics, procurement and R&D in Uniliver group at India, Nepal, Singapore and the United Kingdom. He served as an Executive Director on the Board of Hindustan Unilever Ltd (HUL) for almost a decade. He was also the Managing Director of a joint venture of HUL in Singapore and Chairman of a joint venture in Nepal.<br>Mr Banerjee is a senior advisor to Boston Consulting Group and is advising four tech startups in the areas of block chain, logistics, go-to-market operation platforms and waste management. He is also a Designated Partner in Pradeep Banerjee Associates LLP.<br>He holds a graduate degree in Chemical Engineering from Indian Institute of Technology, Delhi. |
| Directorship in other companies | **Public companies**<br>Biba Fashion Ltd<br>Chambal Fertilizers and Chemicals Ltd<br>Gabriel India Ltd<br>Jubilant Ingrevia Ltd<br>Parksons Packaging Ltd<br>Whirlpool of India Ltd<br>**Private company**<br>Stellar Value Chain Solutions Pvt Ltd |
| Membership in committees of other companies | **Chairman of committees**<br>Gabriel India Ltd – Nomination and Remuneration Committee<br>Gabriel India Ltd – Stakeholders Relationship Committee<br>Jubilant Ingrevia Ltd – Nomination and Remuneration Committee<br>Whirlpool of India Ltd – Nomination and Remuneration Committee<br>**Member of committees**<br>Biba Fashion Ltd – Corporate Social Responsibility Committee<br>Biba Fashion Ltd – Nomination and Remuneration Committee<br>Biba Fashion Ltd – Stakeholders Relationship Committee<br>Chambal Fertilizers and Chemicals Ltd – Risk Management Committee<br>Chambal Fertilizers and Chemicals Ltd – Strategy Committee<br>Jubilant Ingrevia Ltd – Audit Committee<br>Jubilant Ingrevia Ltd – Risk Management Committee<br>Jubilant Ingrevia Ltd – Sustainability and Corporate Social Responsibility Committee<br>Parksons Packaging Ltd – Audit Committee<br>Parksons Packaging Ltd – Nomination and Remuneration Committee<br>Whirlpool of India Ltd – Audit Committee<br>Whirlpool of India Ltd – Stakeholders Relationship Committee |

| | |
|---|---|
| Relationship with other Directors | None |
| Number of shares held in the Company | 15 |

Mr Banerjee, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offers himself for appointment. It is proposed to appoint him as an Independent Director for five consecutive years from May 01, 2022 to April 30, 2027. A Notice has been received from a member proposing Mr Banerjee as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Banerjee:

i) possesses rich experience and expertise relevant to the Company

ii) fulfils the conditions specified in the Companies Act, 2013 and Rules made thereunder

iii) is independent of the Management

Given the above, the Board is of the view that his association will be beneficial to the Company.

A copy of the draft letter for appointment of Mr Banerjee as an Independent Director setting out the terms and conditions will be available for inspection without any fee by the members at the registered office of the Company during normal business hours on any working day.

Mr Banerjee does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Accordingly, the Board recommends the resolution in item number 6 in relation to appointment of Mr Banerjee as an Independent Director for a term of five consecutive years for the approval of the members as a special resolution.

**Memorandum of interest**

Except Mr Banerjee, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the Resolution set out at Item number 6.

**Item number 7**

In pursuance of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the appointment of the Cost Auditors and their remuneration as recommended by the Audit Committee requires approval by the Board of Directors (Board). The remuneration also requires ratification by the members.

On the recommendation of the Audit Committee, the Board considered and approved appointment of the Cost Auditors, R Nanabhoy & Co, Cost Accountants, for conducting cost audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers at a remuneration of ₹ 3.10 lakhs plus taxes as applicable and reimbursement of actual travel and out-of-pocket expenses for the financial year ending March 31, 2023.

The Board seeks ratification of the aforesaid remuneration by the members and accordingly requests their approval of the ordinary resolution.

**Memorandum of interest**

None of the Directors or Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the said resolution.

By order of the Board of Directors

(Lalit Patni)
**Company Secretary and Chief Compliance Officer**

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
Corporate identity number: L99999GJ1975PLC002859
April 26, 2022

# Performance trend

(₹ cr)

| Particulars | Ind AS | | | | | | | Schedule VI |
|---|---|---|---|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
| **Operating results** | | | | | | | | |
| Net sales | 4,929 | 3,460 | 3,824 | 3,845 | 3,052 | 2,639 | 2,403 | 2,510 |
| Revenue | 5,083 | 3,616 | 3,983 | 3,947 | 3,186 | 2,891 | 2,652 | 2,571 |
| PBIDT | 953 | 950 | 922 | 768 | 511 | 512 | 485 | 391 |
| Finance costs | 3 | 2 | 2 | 4 | 9 | 21 | 26 | 24 |
| PBDT[1] | 950 | 948 | 920 | 764 | 502 | 491 | 459 | 367 |
| Depreciation | 146 | 120 | 117 | 112 | 105 | 91 | 62 | 55 |
| PBT from operations[1] | 804 | 828 | 803 | 652 | 397 | 400 | 397 | 312 |
| Exceptional \| Non-recurring items | - | - | - | - | - | - | 3[2] | - |
| PBT | 804 | 828 | 803 | 652 | 397 | 400 | 400 | 312 |
| Tax | 196 | 197 | 163 | 223 | 127 | 115 | 126 | 95 |
| Net profit | 608 | 631 | 640 | 429 | 270 | 285 | 274 | 217 |
| Dividend (including DDT[3])[4] | 59 | - | 151 | 40 | 33 | 36 | 30 | 30 |
| **Financial position** | | | | | | | | |
| Gross block[5] | 2,098 | 1,839 | 1,595 | 1,333 | 1,243 | 1,118 | 945 | 1,345 |
| Net block[5] | 1,446 | 1,295 | 1,139 | 988 | 989 | 965 | 883 | 578 |
| Other assets (net) | 2,943 | 2,416 | 1,931 | 1,662 | 1,209 | 1,111 | 1,011 | 719 |
| Capital employed | 4,389 | 3,711 | 3,070 | 2,650 | 2,198 | 2,076 | 1,894 | 1,297 |
| Equity share capital | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Other equity | 4,286 | 3,681 | 3,040 | 2,620 | 2,168 | 1,891 | 1,562 | 986 |
| Total equity | 4,316 | 3,711 | 3,070 | 2,650 | 2,198 | 1,921 | 1,592 | 1,016 |
| Borrowings (net) | - | - | - | - | - | 155 | 302 | 281 |
| **Per equity share (₹)** | | | | | | | | |
| Dividend[6] | 25.00 | 20.00 | 27.50 | 15.00 | 12.00 | 10.00 | 10.00 | 8.50 |
| Book value | 1,459 | 1,254 | 1,035 | 893 | 741 | 648 | 537 | 343 |
| EPS | 205.34 | 212.78 | 215.82 | 144.51 | 91.16 | 96.18 | 92.53 | 73.30 |
| **Key indicators** | | | | | | | | |
| PBIDT % | 19.33% | 27.46% | 24.11% | 19.97% | 16.74% | 19.40% | 20.18% | 15.58% |
| PBDT % | 19.27% | 27.40% | 24.06% | 19.87% | 16.45% | 18.61% | 19.10% | 14.62% |
| PBT % | 16.31% | 23.93% | 21.00% | 16.96% | 13.01% | 15.16% | 16.52% | 12.43% |
| Employee cost % | 5.60% | 7.20% | 6.51% | 5.70% | 5.93% | 6.56% | 6.99% | 6.14% |
| Finance costs % | 0.06% | 0.06% | 0.05% | 0.10% | 0.29% | 0.80% | 1.08% | 0.96% |
| Operating cash flow \| total revenue % | 4.27% | 18.71% | 21.40% | 10.06% | 10.21% | 12.80% | 14.13% | 12.33% |
| Asset turnover ratio[7] | 2.56 | 2.16 | 2.81 | 3.04 | 2.60 | 2.44 | 3.10 | 2.02 |
| RoCE %[1] | 23.57% | 29.56% | 33.82% | 32.05% | 22.38% | 25.71% | 30.91% | 26.76% |
| RoNW %[1] | 15.15% | 18.61% | 22.38% | 17.70% | 13.11% | 16.23% | 20.78% | 22.18% |
| Payment to exchequer | 948 | 698 | 640 | 627 | 442 | 307 | 335 | 305 |

**Notes:**

[1]Excluding exceptional items | [2]Relates to one-time dividend received, grouped as revenue but excluded from PBIDT above | [3]Dividend distribution tax | [4]Paid during the year | [5]Including capital work-in-progress | [6]Proposed | paid for the year | [7]Excluding capital work-in-progress

(₹ cr)

| Particulars | Schedule VI | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2013-14 | 2012-13 | 2011-12 | 2010-11 | 2009-10 | 2008-09 | 2007-08 | 2006-07 |
| **Operating results** | | | | | | | | |
| Net sales | 2,307 | 1,964 | 1,746 | 1,508 | 1,168 | 1,159 | 998 | 895 |
| Revenue | 2,405 | 2,022 | 1,792 | 1,553 | 1,204 | 1,196 | 1,033 | 925 |
| PBIDT | 362 | 268 | 203 | 194 | 143 | 124 | 97 | 85 |
| Finance costs | 31 | 32 | 43 | 26 | 26 | 41 | 33 | 28 |
| PBDT[1] | 331 | 236 | 160 | 168 | 117 | 83 | 64 | 57 |
| Depreciation | 54 | 49 | 44 | 39 | 37 | 32 | 29 | 31 |
| PBT from operations[1] | 277 | 187 | 116 | 129 | 80 | 51 | 35 | 26 |
| Exceptional \| Non-recurring items | 20[2] | 5 | 6 | 10 | - | (5) | 3 | - |
| PBT | 297 | 192 | 122 | 139 | 80 | 46 | 38 | 26 |
| Tax | 84 | 56 | 34 | 43 | 27 | 10 | 3 | 1 |
| Net profit | 213 | 136 | 88 | 96 | 53 | 36 | 35 | 25 |
| Dividend (including DDT[3])[4] | 26 | 21 | 16 | 16 | 14 | 10 | 10 | 10 |
| **Financial position** | | | | | | | | |
| Gross block[5] | 1,285 | 1,202 | 1,100 | 1,002 | 986 | 967 | 936 | 771 |
| Net block[5] | 573 | 526 | 474 | 420 | 424 | 443 | 433 | 295 |
| Other assets (net) | 719 | 585 | 550 | 474 | 355 | 384 | 428 | 374 |
| Capital employed | 1,292 | 1,111 | 1,024 | 894 | 779 | 827 | 861 | 669 |
| Equity share capital | 30 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Other equity | 911 | 726 | 612 | 537 | 454 | 429 | 403 | 270 |
| Total equity | 941 | 756 | 642 | 567 | 484 | 459 | 433 | 300 |
| Borrowings (net) | 351 | 355 | 382 | 327 | 295 | 368 | 428 | 369 |
| **Per equity share (₹)** | | | | | | | | |
| Dividend[6] | 7.50 | 6.00 | 4.50 | 4.50 | 4.00 | 3.00 | 3.00 | 3.00 |
| Book value | 317 | 255 | 216 | 191 | 163 | 155 | 146 | 101 |
| EPS | 71.74 | 45.69 | 29.70 | 30.34 | 19.15 | 12.77 | 12.35 | 9.98 |
| **Key indicators** | | | | | | | | |
| PBIDT % | 15.69% | 13.65% | 11.63% | 12.86% | 12.24% | 10.70% | 9.72% | 9.50% |
| PBDT % | 14.35% | 12.02% | 9.16% | 11.14% | 10.02% | 7.16% | 6.41% | 6.37% |
| PBT % | 12.01% | 9.52% | 6.64% | 8.55% | 6.85% | 4.40% | 3.51% | 2.91% |
| Employee cost % | 6.07% | 6.52% | 6.70% | 6.76% | 8.82% | 7.85% | 8.12% | 8.04% |
| Finance costs % | 1.34% | 1.63% | 2.46% | 1.72% | 2.23% | 3.54% | 3.31% | 3.13% |
| Operating cash flow \| total revenue % | 5.86% | 8.24% | 6.73% | 3.88% | 8.86% | 17.23% | 1.11% | 7.94% |
| Asset turnover ratio[7] | 1.87 | 1.70 | 1.67 | 1.55 | 1.20 | 1.22 | 1.14 | 1.25 |
| RoCE %[1] | 26.04% | 21.04% | 16.93% | 18.46% | 13.09% | 11.19% | 9.42% | 8.81% |
| RoNW %[1] | 23.45% | 18.74% | 13.56% | 16.37% | 11.24% | 8.95% | 8.80% | 8.73% |
| Payment to exchequer | 267 | 212 | 191 | 167 | 99 | 101 | 98 | 99 |

**Notes:**

[1]Excluding exceptional items | [2]Relates to one-time dividend received, grouped as revenue but excluded from PBIDT above | [3]Dividend distribution tax | [4]Paid during the year | [5]Including capital work-in-progress | [6]Proposed | paid for the year | [7]Excluding capital work-in-progress

# Financial Statements

## Standalone Financial Statements



## Consolidated Financial Statements

# Independent Auditor's Report

**To the members of Atul Ltd**

## Report on the audit of the Standalone Financial Statements

### Opinion

01. We have audited the accompanying Standalone Financial Statements of Atul Ltd (the Company), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

02. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total income, its cash flows and the changes in equity for the year ended on that date.

### Basis for opinion

03. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

### Key audit matter

04. Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the Standalone Financial Statements of the current period. This matter was addressed in the context of our audit of the Standalone Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described as follows to be the key audit matter to be communicated in our report.

| Key audit matter | Auditor's response |
|---|---|
| **Allowance for credit losses**<br><br>The Company determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions of its customers, their industries and geography of operations.<br><br>In calculating expected credit loss, the Company also considers the insurance covers and other securities, besides other related information for its customers, including credit reports, to estimate the probability of default in future and has taken into account estimates of possible effect from the COVID-19 pandemic. The Management has exercised significant judgement in estimating the allowance for credit losses.<br><br>Refer Note 10 and 28.8(c) to the Standalone Financial Statements. | Our principle procedures included the following, but were not limited to:<br><br>Testing the effectiveness of controls over the:<br><br>- classification of customers by the businesses and computing the net exposure as at the reporting date,<br><br>- development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions,<br><br>- completeness and accuracy of information used in the estimation of probability of default and<br><br>- computation of the allowance for credit losses.<br><br>Testing the arithmetical accuracy and computation of the allowances prepared by the Management.<br><br>Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and factoring the possible effect of the pandemic, to independently validate the Management estimates. |

## Information other than the Financial Statements and Auditor's Report thereon

05. The Board of Directors is responsible for the other information. The other information comprises the information included in the letter to the shareholders, operational highlights, financial charts, Directors' Report and its annexure, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility and Sustainability Report, Dividend Distribution Policy and performance trend, but does not include the Standalone Financial Statements, the Consolidated Financial Statements and our Auditor's Report thereon.

06. Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

07. In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

08. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's responsibility for the Standalone Financial Statements

09. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to

the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

10. In preparing the Standalone Financial Statements, the Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

11. The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

## Auditor's responsibility for the audit of the Standalone Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they can reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

    a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

    b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

    e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    f) Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the Standalone Financial Statements.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in i) planning the scope of our audit work and in evaluating the results of our work and ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter must not be communicated in our report because the adverse consequences of doing so will reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

14. As required by Section 143(3) of the Act, based on our audit we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Cash Flows and Statement of changes in equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the Directors as on March 31, 2022, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2022, from being appointed as a Director in terms of Section 164(2) of the Act.

    f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.

    g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

    h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements.

        ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. a) The Management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities (funding parties), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. As stated in Note 28.17 to the Standalone Financial Statements:

a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

b) The Board of Directors of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed declared is in accordance with Section 123 of the Act, as applicable.

15. As required by the Companies (Auditor's Report) Order, 2020 (the Order), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W|W-100018

Ketan Vora
**Partner**
Membership number: 100459
UDIN: 22100459AIAQGV9242

Mumbai
April 26, 2022

# Annexure A to the Independent Auditor's Report

Referred to in para 14(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

### Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

We have audited the internal financial controls over financial reporting of Atul Ltd (the Company) as of March 31, 2022, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's responsibility for internal financial controls

The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's responsibility

01. Our responsibility is to express an opinion on the internal financial controls of the Company over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

02. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

03. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

### Meaning of internal financial controls over financial reporting

The internal financial controls over financial reporting of a company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Financial Statements for external purposes in accordance with the Generally Accepted Accounting Principles. Internal financial controls over financial reporting of a Company include those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with the Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of Management and Directors of the Company and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the Company that can have a material effect on the Standalone Financial Statements.

### Inherent limitations of internal financial controls over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W|W-100018

Ketan Vora
**Partner**
Membership number: 100459
UDIN: 22100459AIAQGV9242

Mumbai
April 26, 2022

# Annexure B to the Independent Auditor's Report

Referred to in paragraph 14 under 'Report on Other legal and regulatory requirements' section of our report of even date.

To the best of our information and explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

01. a) In respect of the property, plant and equipment and intangible assets of the Company:

i. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment, bearer plants, capital work-in-progress, investment properties and relevant details of right-of-use asset.

ii. The Company has maintained proper records showing full particulars of intangible assets.

b) The Company has a program of verification of property, plant and equipment, bearer plants, capital work-in-progress, investment properties and right-of-use asset so as to cover all the items in a phased manner once over a period of three years which, in our opinion, is reasonable having regards to size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were due for verification during the year and were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) With respect to immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the Standalone Financial Statements included in investment properties, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed | transfer deed | conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the Balance Sheet date, except the following:

| Particulars of land and building | Carrying value as at March 31, 2022 (₹ cr) | Held in the name of | Whether promoter, Director or their relative or employee | Held since | Reason for not being held in the name of the Company |
|---|---|---|---|---|---|
| Freehold land | 0.15 | Atul Products Ltd | No | February 26, 1992 | In process of transfer in the name of Company |
| Freehold land | 0.27 | Various individuals | No | December 21, 2019 | In process of transfer in the name of Company |
| Building in Delhi | 0.01 | Atul Products Ltd | No | March 31, 1968 | In process of transfer in the name of Company |
| Freehold Land Others | 4.73 | Various individuals | No | August 24, 2021 | In process of transfer in the name of Company |

d) The Company has not revalued any of its property, plant and equipment (including right-of-use assets) and intangible assets during the year.

e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022, for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and Rules made thereunder.

02. a) The inventories were physically verified during the year by the Management at reasonable intervals, except goods-in-transit and stocks lying with third parties. In our opinion, the

coverage and procedure of such verification by the Management is appropriate having regard to the size of the Company and the nature of its operations. In respect of inventory lying with third parties at the year end, written confirmations have been obtained by the Management and in respect of goods-in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories, when compared with the books of account.

b) The Company has been sanctioned working capital limits in excess of ₹ 5 cr, in aggregate, during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising (stock statements, book debt statements and other stipulated financial information) filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters. The Company is yet to submit the return | statement for the quarter ended March 31, 2022, with the banks or financial institutions.

03. The Company has made investments in, granted loans, secured or unsecured, to companies, limited liability partnership or any other parties during the year, in respect of which:

a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

| Particular | Amount (₹ cr) |
|---|---|
| A. Aggregate amount granted \| provided during the year: | |
| - Subsidiary companies | 290.23 |
| - Joint operation | 94.62 |
| - Others | 2.00 |
| B. Balance outstanding as at Balance Sheet date in respect of the above cases: | |
| - Subsidiary companies | 307.46 |
| - Joint operation | 68.28 |

The Company has not provided any guarantee or security to any other entity during the year.

b) The investments made and the terms and conditions of the grant of all the above mentioned loans during the year are, in our opinion, not prejudicial to the interests of the Company.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the Balance Sheet date.

e) No loans granted by the Company, which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) is not applicable.

04. In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans granted and investments.

05. The Company has not accepted or is not holding any deposit or amounts, which are deemed to be deposits during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013. No order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal against the Company in this regard.

06. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

07. In the respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues of the year, including provident fund, employees' state insurance, income tax, customs duty, cess, goods and service tax and other material statutory dues applicable to it to the appropriate authorities.

There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, customs duty, cess, goods and service tax and other material statutory dues in arrears as at March 31, 2022, for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in Sub-clause (a) above which have not been deposited as on March 31, 2022, on account of disputes are given as follows:

| Name of statute | Nature of dues | Forum where dispute is pending | Period to which the amount relates | Amount unpaid (₹ cr) | Amount paid under protest (₹ cr) |
|---|---|---|---|---|---|
| Income Tax Act, 1961 | Income tax | Commissioner of Income Tax (Appeals) | Assessment year 2011-12 and 2012-13 | 2.61 | 1.69 |
| | | Income Tax Appellate Tribunal | 2010-11 | * | 0.87 |
| The Central Excise Act, 1944 and Chapter V of the Finance Act, 1994 | Excise duty and Service tax | Commissioner (Appeals) | 1993-2016 | 0.53 | # |
| | | Customs, Excise and Service Tax Appellate Tribunal | 1992-2018 | 1.64 | 0.14 |
| | | High Court | 1994-95 | 3.53 | - |
| Customs Act, 1962 | Custom duty | Commissioner (Appeals) | 1994-2009 | 3.19 | - |
| | | High Court | 2017-18 | 1.76 | - |

* ₹ 16,620 | # ₹ 9,890.

08. There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

09. a) The Company has not defaulted in the repayment of loans or borrowings or in the payment of interest thereon to any lender during the year.

b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

c) The Company has not taken any term loans during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

d) On an overall examination of the Standalone Financial Statements of the Company, funds raised on short-term basis have, not been used during the year for long-term purposes by the Company.

e) On an overall examination of the Standalone Financial Statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary companies.

f) The Company has not raised loans during the year on the pledge of securities held in its subsidiary or joint venture company.

10. a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

b) During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.

11. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under Sub-section (12) of Section 143 of the Companies Act,2013 has been filed in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) As represented to us by the Management, there were no whistleblower complaints received by the Company during the year.

12. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.

13. In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.

14. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports issued to the Company during the year and till date in determining the nature, timing and extent of our audit procedures.

15. In our opinion, during the year, the Company has not entered into any non-cash transactions with its Directors or Directors of its subsidiary companies or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

16. a) In our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under Clause (xvi)(a), (b) and (c) of the order is not applicable.

b) In our opinion, the Group (the Company and its subsidiary companies, joint venture company and joint operation) does not have any core investment company (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) as part of the Group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.

17. The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.

18. There has been no resignation of the Statutory Auditors of the Company during the year.

19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the Standalone Financial Statements and our knowledge of the Board of Directors and the Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We however state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

20. a) In respect of other than ongoing projects, the Company has transferred the unspent Corporate Social Responsibility (CSR) amount to a fund specified in Schedule VII to the Companies Act, 2013 before the date of this report and within a period of six months of the expiry of the financial year in compliance with second proviso to Sub-section (5) of Section 135 of the said Act.

b) In respect of ongoing projects, the Company has transferred unspent CSR amount, to a special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of Section 135(6) of the Act.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W|W-100018

Ketan Vora
**Partner**
Membership number: 100459
UDIN: 22100459AIAQGV9242

Mumbai
April 26, 2022

# Standalone Balance Sheet as at March 31, 2022

(₹ cr)

| Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| A ASSETS | | | |
| 1 **Non-current assets** | | | |
| a) Property, plant and equipment | 2 | 1,272.20 | 1,054.55 |
| b) Capital work-in-progress | 2 | 173.44 | 238.92 |
| c) Investment properties | 3 | 3.22 | 3.22 |
| d) Intangible assets | 4 | 0.78 | 1.34 |
| e) Financial assets | | | |
| i) Investments in subsidiary companies and joint venture company | 5.1 | 255.69 | 239.34 |
| ii) Other investments | 5.2 | 755.38 | 593.58 |
| iii) Loans | 6 | 349.02 | 30.85 |
| iv) Other financial assets | 7 | 13.96 | 7.13 |
| f) Income tax assets (net) | 28.5 | 6.89 | 10.99 |
| g) Other non-current assets | 8 | 28.24 | 39.27 |
| **Total non-current assets** | | **2,858.82** | **2,219.19** |
| 2 **Current assets** | | | |
| a) Inventories | 9 | 701.03 | 510.57 |
| b) Financial assets | | | |
| i) Investments | 5.3 | 539.54 | 717.81 |
| ii) Trade receivables | 10 | 1,058.83 | 713.53 |
| iii) Cash and cash equivalents | 11 | 17.93 | 15.25 |
| iv) Bank balances other than cash and cash equivalents mentioned above | 12 | 2.82 | 293.48 |
| v) Loans | 6 | 26.72 | - |
| vi) Other financial assets | 7 | 14.14 | 13.46 |
| c) Other current assets | 8 | 130.80 | 104.16 |
| **Total current assets** | | **2,491.81** | **2,368.26** |
| **Total assets** | | **5,350.63** | **4,587.45** |
| B EQUITY AND LIABILITIES | | | |
| **Equity** | | | |
| a) Equity share capital | 13 | 29.61 | 29.61 |
| b) Other equity | 14 | 4,286.78 | 3,681.74 |
| **Total equity** | | **4,316.39** | **3,711.35** |
| **Liabilities** | | | |
| 1 **Non-current liabilities** | | | |
| a) Other financial liabilities | 15 | 2.73 | 2.53 |
| b) Provisions | 16 | 27.59 | 24.23 |
| c) Deferred tax liabilities (net) | 28.5 | 90.36 | 91.87 |
| **Total non-current liabilities** | | **120.68** | **118.63** |
| 2 **Current liabilities** | | | |
| a) Financial liabilities | | | |
| i) Borrowings | 17 | 72.94 | - |
| ii) Trade payables | 18 | | |
| Total outstanding dues of | | | |
| a) Micro-enterprises and small enterprises | | 43.36 | 22.77 |
| b) Creditors other than micro-enterprises and small enterprises | | 576.59 | 539.91 |
| ii) Other financial liabilities | 15 | 129.74 | 123.15 |
| b) Contract liabilities | 19 | 30.41 | 23.01 |
| c) Other current liabilities | 20 | 8.26 | 7.44 |
| d) Provisions | 16 | 45.56 | 36.87 |
| e) Current tax liabilities (net) | 28.5 | 6.70 | 4.32 |
| **Total current liabilities** | | **913.56** | **757.47** |
| **Total liabilities** | | **1,034.24** | **876.10** |
| **Total equity and liabilities** | | **5,350.63** | **4,587.45** |

**The accompanying Notes 1-28 form an integral part of the Standalone Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

Mumbai
April 26, 2022

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

L P Patni
**Company Secretary**

B N Mohanan
(DIN:00198716)
**Whole-time Director and President - U&S**

R A Shah
(DIN:00009851)

B S Mehta
(DIN:00035019)

S M Datta
(DIN:00032812)

V S Rangan
(DIN:00030248)

M M Chitale
(DIN:00101004)

S A Panse
(DIN:02599310)

B R Arora
(DIN:00194168)
**Directors**

S S Lalbhai
(DIN:00045590)
**Chairman and Managing Director**

S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

# Standalone Statement of Profit and Loss

## for the year ended March 31, 2022

(₹ cr)

| Particulars | Note | 2021-22 | 2020-21 |
|---|---|---|---|
| INCOME | | | |
| Revenue from operations | 21 | 4,992.75 | 3,512.35 |
| Other income | 22 | 90.07 | 103.71 |
| **Total income** | | **5,082.82** | **3,616.06** |
| EXPENSES | | | |
| Cost of materials consumed | 23 | 2,591.23 | 1,525.01 |
| Purchases of stock-in-trade | | 160.26 | 139.73 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 24 | (127.02) | (63.31) |
| Employee benefit expenses | 25 | 276.39 | 249.10 |
| Finance costs | 26 | 2.94 | 1.97 |
| Depreciation and amortisation expenses | 2, 4 | 146.48 | 120.23 |
| Other expenses | 27 | 1,228.57 | 815.58 |
| **Total expenses** | | **4,278.85** | **2,788.31** |
| **Profit before tax** | | **803.97** | **827.75** |
| **Tax expense** | | | |
| Current tax | 28.5 | 200.61 | 199.19 |
| Deferred tax | 28.5 | (4.17) | (2.33) |
| **Total tax expense** | | **196.44** | **196.86** |
| **Profit for the year** | | **607.53** | **630.89** |
| **Other comprehensive income** | | | |
| a) Items that will not be reclassified to profit \| loss | | | |
| i) Change in fair value of equity instruments through other comprehensive income (FVTOCI) | | 64.50 | 80.17 |
| ii) Remeasurement gain \| (loss) on defined benefit plans | | (6.76) | (1.08) |
| iii) Income tax related to items above | | (0.83) | (9.34) |
| b) Items that will be reclassified to profit \| loss | | | |
| i) Effective portion of gain \| (loss) on cash flow hedges | | 0.50 | 0.60 |
| ii) Income tax related to item no (i) above | | (0.13) | (0.15) |
| **Other comprehensive income, net of tax** | | **57.28** | **70.20** |
| **Total comprehensive income for the year** | | **664.81** | **701.09** |
| **Earnings per equity share** | | | |
| Basic and diluted earnings ₹ per equity share of ₹ 10 each | 28.11 | 205.34 | 212.78 |

**The accompanying Notes 1-28 form an integral part of the Standalone Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

L P Patni
**Company Secretary**

B N Mohanan
(DIN:00198716)
**Whole-time Director and President - U&S**

R A Shah
(DIN:00009851)

B S Mehta
(DIN:00035019)

S M Datta
(DIN:00032812)

V S Rangan
(DIN:00030248)

M M Chitale
(DIN:00101004)

S A Panse
(DIN:02599310)

B R Arora
(DIN:00194168)
**Directors**

S S Lalbhai
(DIN:00045590)
**Chairman and Managing Director**

S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

Mumbai
April 26, 2022

# Standalone Statement of changes in equity

## for the year ended March 31, 2022

### A Equity share capital

(₹ cr)

| Particulars | Note | Amount |
|---|---|---|
| **As at March 31, 2020** | | **29.68** |
| Changes in equity share capital during the year, pursuant to buy-back (refer Note 28.18) | | (0.07) |
| **As at March 31, 2021** | | **29.61** |
| Changes in equity share capital during the year | | - |
| **As at March 31, 2022** | **13** | **29.61** |

### B Other equity

(₹ cr)

| Particulars | Reserves and surplus | | | | Items of other comprehensive income | | Total other equity |
|---|---|---|---|---|---|---|---|
| | Securities premium | General reserve | Retained earnings | Capital redemption reserve | FVTOCI equity instruments | Effective portion of cash flow hedges | |
| **As at March 31, 2020** | **34.66** | **95.80** | **2,513.20** | **-** | **398.68** | **(1.64)** | **3,040.70** |
| Profit for the year | - | - | 630.89 | - | - | - | 630.89 |
| Other comprehensive income, net of tax | - | - | (0.81) | - | 70.56 | 0.45 | 70.20 |
| **Total comprehensive income for the year** | **-** | **-** | **630.08** | **-** | **70.56** | **0.45** | **701.09** |
| Transfer to retained earnings on disposal of FVTOCI equity instruments | - | - | - | - | - | - | - |
| Hedging (gain) \| loss reclassified to the Standalone Statement of Profit and Loss | - | - | - | - | - | 1.62 | 1.62 |
| Buy-back of equity shares (refer Note 28.18) | (34.66) | (27.01) | - | - | - | - | (61.67) |
| Transferred to capital redemption reserve upon buy-back (refer Note 28.18) | - | (0.07) | - | 0.07 | - | - | - |
| **Transactions with owners in their capacity as owners** | | | | | | | |
| Dividend on equity shares (refer Note 28.17) | - | - | - | - | - | - | - |
| **As at March 31, 2021** | **-** | **68.72** | **3,143.28** | **0.07** | **469.24** | **0.43** | **3,681.74** |
| Profit for the year | - | - | 607.53 | - | - | - | 607.53 |
| Other comprehensive income, net of tax | - | - | (5.06) | - | 61.97 | 0.37 | 57.28 |
| **Total comprehensive income for the year** | **-** | **-** | **602.47** | **-** | **61.97** | **0.37** | **664.81** |
| Transfer to retained earnings on disposal of FVTOCI equity instruments | - | - | (22.82) | - | 22.82 | - | - |
| Hedging (gain) \| loss reclassified to the Standalone Statement of Profit and Loss | - | - | - | - | - | (0.60) | (0.60) |
| Buy-back of equity shares (refer Note 28.18) | - | - | - | - | - | - | - |
| **Transactions with owners in their capacity as owners** | | | | | | | |
| Dividend on equity shares (refer Note 28.17) | - | - | (59.17) | | - | - | (59.17) |
| **As at March 31, 2022** | **-** | **68.72** | **3,663.76** | **0.07** | **554.03** | **0.20** | **4,286.78** |

Refer Note 14 for nature and purpose of reserves

**The accompanying Notes 1-28 form an integral part of the Standalone Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

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(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

Mumbai
April 26, 2022

# Standalone Statement of Cash Flows

## for the year ended March 31, 2022

(₹ cr)

| | Particulars | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | Profit before tax | | 803.97 | 827.75 |
| | Adjustments for: | | | |
| | Depreciation and amortisation expenses | | 146.48 | 120.23 |
| | Finance costs | | 2.94 | 1.97 |
| | Loss on disposal of property, plant and equipment (net) | | 2.32 | 0.09 |
| | Unrealised exchange rate difference (net) | | (2.40) | 11.32 |
| | Bad debts and irrecoverable balances written off \| (written back) | | (1.28) | 0.52 |
| | Allowance for doubtful debts made \| (written back) | | 0.37 | 1.78 |
| | Dividend income | | (8.52) | (58.03) |
| | Interest income from financial assets measured at amortised cost | | (28.99) | (14.60) |
| | Liabilities no longer required written back | | (1.58) | (0.13) |
| | Gain on disposal of current investments measured at FVTPL (net) | | (23.70) | (23.16) |
| | **Operating profit before change in operating assets and liabilities** | | **889.61** | **867.74** |
| | | | | |
| | Adjustments for: | | | |
| | (Increase) \| Decrease in inventories | | (190.45) | (83.11) |
| | (Increase) \| Decrease in non-current and current assets | | (367.29) | 0.24 |
| | Increase \| (Decrease) in non-current and current liabilities | | 77.59 | 88.04 |
| | **Cash generated from operations** | | **409.46** | **872.91** |
| | Income tax paid (net of refund) | | (192.44) | (196.40) |
| | **Net cash flow from operating activities** | A | **217.02** | **676.51** |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Payments towards property, plant and equipment (including capital advances) | | (297.12) | (270.69) |
| | Purchase of intangible assets | | - | (1.00) |
| | Proceeds from disposal of property, plant and equipment | | 0.38 | 0.97 |
| | Proceeds from disposal of equity instruments measured at FVTOCI | | 1.78 | - |
| | Purchase of equity instruments measured at FVTOCI | | (1.36) | (31.69) |
| | Investment in bonds measured at FVTPL | | (90.55) | (15.59) |
| | Purchase of current investments measured at FVTPL (net) | | 202.71 | (51.89) |
| | Purchase of equity instruments of subsidiary companies measured at cost | | (15.98) | (3.66) |
| | Repayments of loans given | | 39.96 | - |
| | Disbursements of loans | | (384.02) | (13.35) |
| | Redemption of \| (Investment in) bank deposits (net) | | 279.85 | (279.85) |
| | Interest received on financial assets measured at amortised cost | | 30.67 | 3.59 |
| | Dividend received from subsidiary companies | | - | 2.15 |
| | Dividend received from joint venture company | | 4.38 | 1.46 |
| | Dividend received from others | | 4.14 | 56.57 |
| | **Net cash used in investing activities** | B | **(225.16)** | **(602.98)** |

# Standalone Statement of Cash Flows

## for the year ended March 31, 2022

(₹ cr)

| | Particulars | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| C | CASH FLOW FROM FINANCING ACTIVITIES | | | |
| | Disbursements \| (Repayments) of short-term borrowings (net) | | 72.94 | - |
| | Interest paid | | (2.94) | (1.97) |
| | Dividend on equity shares | | (59.18) | - |
| | Buy-back of equity shares (including transaction cost) | | - | (61.74) |
| | **Net cash used in financing activities** | **C** | **10.82** | **(63.71)** |
| | **Net increase \| (decrease) in cash and cash equivalents** | **A+B+C** | **2.68** | **9.82** |
| | **Cash and cash equivalents at the beginning of the year** | | 15.25 | 5.43 |
| | **Cash and cash equivalents at the end of the year** | | 17.93 | 15.25 |

i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on the Statement of Cash Flows as notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended.

ii) Cash flows from operating activities include ₹ 14.89 cr (March 31, 2021: ₹ 12.41 cr) being expenses towards Corporate Social Responsibility initiatives.

iii) Refer Note 17 (d) for a reconciliation of changes in liabilities arising from financing activities.

**The accompanying Notes 1-28 form an integral part of the Standalone Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

Mumbai
April 26, 2022

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

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(DIN:00032812)

V S Rangan
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**Directors**

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**Chairman and Managing Director**

S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

# Notes to the Standalone Financial Statements

## Background

Atul Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India, and the principal places of manufacturing are located at Atul and Ankleshwar, Gujarat, India.

The Company is mainly in the business of Life Science Chemicals and Performance and Other Chemicals and caters to the needs of varied industries across the world such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy.

## Note 1 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Company in preparation of these Standalone Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Statement of compliance

The Standalone Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

### b) Basis of preparation

i) Historical cost convention:

The Standalone Financial Statements have been prepared on a historical cost basis except for the following:

a) Certain financial assets and liabilities (including derivative instruments): measured at fair value

b) Defined benefit plans: plan assets measured at fair value

c) Biological assets: measured at fair value less cost to sell

ii) The Standalone Financial Statements have been prepared on accrual and going concern basis.

iii) The accounting policies are applied consistently to all the periods presented in the Standalone Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

iv) New and amended in the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 adopted:

The Company has applied the following amendments to Schedule III to the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 for its annual reporting period commencing April 01, 2021:

a) The Ministry of Corporate Affairs (MCA) has amended Schedule III of the Companies Act 2013, on March 24, 2021. Schedule III of the Companies Act 2013, provides the format of financial statements of companies complying with Accounting Standards (AS) and Ind AS under its Division I and Division II, respectively.

b) The MCA has notified provisions relating to CSR vide the Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020 and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which is effective from January 22, 2021.

v) Recent accounting pronouncements effective from April 01, 2022:

The MCA notifies new standards or amendment to the existing standards under the Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 as follows:

Ind AS 16 - Property, Plant and Equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its Standalone Financial Statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples may be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example may be the allocation of depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and the impact is not expected to be material.

## c) Foreign currency transactions

i) Functional and presentation currency:

Items included in the Standalone Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates (functional currency). The Standalone Financial Statements of the Company are presented in Indian currency (₹), which is also the functional currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Standalone Statement of Profit and Loss, except that they are deferred in other equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Standalone Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) presented in the Standalone Statement of Profit and Loss are on a net basis within other income.

Non-monetary items that are measured at fair value and denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

## d) Revenue recognition

i) Revenue from operations:

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or a specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services, including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

ii) Other income:

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Standalone Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

## e) Income tax

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Standalone Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The Company considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Company will realise the benefits of those deductible differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity.

The Company considered whether it has any uncertain tax positions based on past experience pertaining to income taxes, including those related to transfer pricing as per Appendix C to Ind AS 12. The Company has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

The Company determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Company applies significant judgement in identifying uncertainties over income tax treatments.

## f) Government grants

i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

iii) Government grants relating to income are deferred and recognised in the Standalone Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

iv) Government grants relating to export incentives, refer Note 1 (d).

## g) Leases

**As a lessee**

The Company assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: i) the contract involves the use of an identified asset, ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and iii) the Company has the right to direct the use of the asset.

At the commencement date of the lease, the Company recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has the right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during the non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

**As a lessor**

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Standalone Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Standalone Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

## h) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Standalone Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Standalone Statement of Profit and Loss.

Fruit bearing plants qualify as Bearer plants under Ind AS 16. Expenditure incurred on cultivation of plantations up to the date they become capable of bearing fruit are accumulated as Bearer plants under development (Immature) and then capitalised as a Bearer plant (Mature) to be depreciated over their estimated useful life.

The plantation destroyed due to calamity, disease or any other reasons whether capitalised as Bearer plant (Mature) or being carried under Bearer plant under development (Immature) are charged off to the Standalone Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment that are not ready for intended use as on the date of Standalone Balance Sheet are disclosed as 'capital work-in-progress'.

### Depreciation methods, estimated useful lives and residual value

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value of the assets at the end of its useful life. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life.

Depreciation is provided on a pro-rata basis on the straight-line method from the date of acquisition | installation till the date the assets are sold or disposed of:

| Asset category | Estimated useful life |
|---|---|
| Buildings | 30 to 60 years |
| Plant and equipment[1] | 6 to 20 years |
| Vehicles[1] | 6 to 10 years |
| Office equipment and furniture | 5 to 10 years |
| Roads | 5 years |
| Bearer plant[1] | 40 years |

[1]The useful lives have been determined based on technical evaluation done by the Management | experts, which are different from the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Land accounted under finance lease is amortised on a straight-line basis over the primary period of lease.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as own assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

### i) Intangible assets

Computer software includes enterprise resource planning application and other costs relating to such software that provide significant future economic benefits. These costs comprise license fees and cost of system integration services.

Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent.

Computer software cost is amortised over a period of three years using the straight-line method.

### j) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

### k) Impairment

The carrying amount of assets are reviewed at each Standalone Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that carrying amount of the assets does not exceed the carrying amount that will be determined if no impairment loss had previously been recognised.

## l) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## m) Trade receivables

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivables overdue more than 180 days are considered in which there is significant increase in credit risk.

## n) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

## o) Inventories

Inventories (other than harvested product of biological assets) are stated at cost or net realisable value, whichever is lower. Cost is determined on periodic moving weighted average basis.

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to effect the sale.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

Due allowances are made for slow | non-moving, defective and obsolete inventories based on estimates made by the Company.

Items such as spare parts, stand-by equipment and servicing equipment that are not plant and machinery get classified as inventory.

The harvested product of biological assets of the Company, that is, oil palm Fresh Fruit Bunch (FFB) is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

## p) Investments and other financial assets

**Classification and measurement:**

The Company classifies its financial assets in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

ii) those measured at amortised cost

The classification depends on business model of the Company for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

### Debt instruments

**Initial recognition and measurement**

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in case the financial asset is not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Standalone Statement of Profit and Loss.

**Subsequent measurement**

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Standalone Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVTOCI)

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Standalone Statement of Profit and Loss. On derecognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Standalone Statement of Profit and Loss.

Measured at fair value through profit or loss(FVTPL)

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Standalone Statement of Profit and Loss.

**Equity instruments**

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Company has elected to present fair value gains and losses on such equity investments in other comprehensive income and there is no subsequent reclassification of these fair value gains and losses to the Standalone Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Standalone Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

Investments in subsidiary companies, associate companies and joint venture company

Investments in subsidiary companies, associate companies and joint venture company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiary companies, associate companies and joint venture company, the difference between net disposal proceeds and the carrying amounts are recognised in the Standalone Statement of Profit and Loss.

**Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28.8 details how the Company determines whether there has been a significant increase in credit risk.

For trade and lease receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Company computes expected lifetime losses based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward-looking information.

**Derecognition**

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, the asset expires or the Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through the Standalone Statement of Profit and Loss or other comprehensive income as applicable. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

**Financial liabilities**

i) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Standalone Statement of Profit and Loss.

iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or it expires.

## q) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Standalone Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

## r) Derivatives and hedging activities

The Company holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss:

This category has derivative financial assets or liabilities, which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated, but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Standalone Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in other income or other expenses. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Standalone Balance Sheet date.

ii) Cash flow hedge:

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Standalone Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain | (loss) on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain | (loss) previously recognised in the cash flow hedging reserve is transferred to the Standalone Statement of Profit and Loss upon the occurrence of the related forecasted transaction

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Standalone Statement of Profit and Loss.

## s) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If not, the fee is deferred until the draw down occurs.

Borrowings are removed from the Standalone Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## t) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## u) Biological assets

The biological assets of the Company comprise oil palms and tissue culture.

The Company classifies the tissue culture as Mature and Immature plants. Mature biological assets are those which are available for sale in next twelve months or that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). The plants that are not mature are considered as Immature plants.

The oil palm trees are Bearer plants and are therefore presented and accounted for as property, plant and equipment. However, the oil palm FFB growing on the trees are accounted for as biological assets until the point of harvest. Harvested oil palm FFB are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of oil palm FFB on trees are recognised in the Standalone Statement of Profit and Loss.

Mature and Immature tissue culture plants, which are ready for sale in less than 12 months from the reporting date are classified as current assets under separate head of biological assets other than bearer plants and others under non-current assets.

Biological assets are measured at fair value less costs to sell. Costs to sell include the incremental selling costs, including auction charges, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income tax.

Tissue culture raised matured plants are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Standalone Statement of Profit and Loss. Immature tissue culture raised plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the Immature plants at different stages and the fair value measurements are clearly unreliable.

## v) Provisions and contingent liabilities

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

## w) Employee benefits

### i) Defined benefit plan

a) Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Standalone Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it becomes due for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Standalone Statement of Profit and Loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate at the beginning of the period to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Standalone Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the Standalone Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

b) Provident fund:

Provident fund for certain eligible employees is managed by the Company through the Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust in line with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the provident fund authorities. The contributions by the employer and employees together with the interest accumulated thereon are payable to employees at the time of their retirement or separation from the Company, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the fair value of assets over the defined benefit obligation is recognised as a liability, with a corresponding charge to the Standalone Statement of Profit and Loss.

### ii) Defined contribution plan

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees state insurance scheme, national pension scheme and labour welfare fund are charged as an expense to the Standalone Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

### iii) Short-term employee benefits

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits, etc, are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees.

**iv) Other long-term employee benefits**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

**x) Research and development expenditure**

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

**y) Earnings per share**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**z) Ordinary shares**

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buy-back are recognised as a deduction from equity, net of any tax effects.

## Estimation of uncertainties relating to the COVID-19 pandemic

The Company has considered possible effects that may result from the COVID-19 pandemic and Russia-Ukraine war in preparation of these Standalone Financial Statements, and used relevant internal and external sources of information and expects that these events will not have any material implications on the operations of the Company in the near future.

## Critical estimates and judgements

Preparation of the Standalone Financial Statements require use of accounting estimates, judgements and assumptions, which by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Standalone Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Standalone Financial Statements. This Note provides an overview of the areas that involve a higher degree of judgements or complexity and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Standalone Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation for income tax: Note 1 (e)

ii) Estimation of useful life of tangible assets: Note 1 (h)

iii) Estimation of provision for inventories: Note 1 (o)

iv) Allowance for credit losses on trade receivables: Note 1 (m)

v) Estimation of claims | liabilities: Note 1 (v)

vi) Estimation of defined benefit obligations: Note 1 (w)

vii) Fair value measurements: Note 28.7

viii) Impairment: Note 1 (k)

## Note 2 Property, plant and equipment and capital work-in-progress

(₹ cr)

| Particulars | Land - freehold[1] | Right-of-use leasehold land[2] | Buildings[1,3] | Plant and equipment | Vehicles | Office equipment and furniture | Roads | Bearer plants | Total | Capital work-in-progress[4] |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | |
| **As at March 31, 2020** | **32.19** | **3.93** | **213.68** | **1,067.42** | **9.87** | **18.25** | **13.51** | **0.33** | **1,359.18** | **234.89** |
| Additions | 15.66 | - | 16.58 | 239.19 | 3.02 | 1.73 | 0.52 | - | 276.70 | 108.26 |
| Disposals, transfers and adjustments | - | - | - | (34.61) | (2.71) | (0.18) | - | - | (37.50) | (104.23) |
| **As at March 31, 2021** | **47.85** | **3.93** | **230.26** | **1,272.00** | **10.18** | **19.80** | **14.03** | **0.33** | **1,598.38** | **238.92** |
| Additions | 22.84 | - | 14.08 | 329.89 | 2.47 | 3.17 | 0.86 | 0.40 | 373.71 | 313.55 |
| Disposals, transfers and adjustments | - | - | - | (35.61) | (2.07) | (12.19) | - | - | (49.87) | (379.03) |
| **As at March 31, 2022** | **70.69** | **3.93** | **244.34** | **1,566.28** | **10.58** | **10.78** | **14.89** | **0.73** | **1922.22** | **173.44** |
| **Depreciation \| Amortisation** | | | | | | | | | | |
| **Up to March 31, 2020** | **-** | **0.31** | **34.91** | **400.76** | **2.16** | **8.63** | **8.89** | **0.04** | **455.70** | **-** |
| For the year | - | 0.05 | 8.27 | 105.24 | 2.14 | 1.90 | 2.32 | 0.01 | 119.93 | - |
| Disposals, transfers and adjustments | - | - | - | (29.40) | (2.25) | (0.15) | - | - | (31.80) | - |
| **Up to March 31, 2021** | **-** | **0.36** | **43.18** | **476.60** | **2.05** | **10.38** | **11.21** | **0.05** | **543.83** | **-** |
| For the year | - | 0.05 | 8.61 | 131.56 | 2.18 | 2.10 | 1.40 | 0.02 | 145.92 | - |
| Disposals, transfers and adjustments | - | - | (0.03) | (26.28) | (1.70) | (11.71) | - | (0.01) | (39.73) | - |
| **Up to March 31, 2022** | **-** | **0.41** | **51.76** | **581.88** | **2.53** | **0.77** | **12.61** | **0.06** | **650.02** | **-** |
| **Net carrying amount** | | | | | | | | | | |
| As at March 31, 2021 | 47.85 | 3.57 | 187.08 | 795.40 | 8.13 | 9.42 | 2.82 | 0.28 | 1,054.55 | 238.92 |
| **As at March 31, 2022** | **70.69** | **3.52** | **192.58** | **984.40** | **8.05** | **10.01** | **2.28** | **0.67** | **1,272.20** | **173.44** |

**Notes:**

[1]Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008, and April 17, 2009, in case of water charges, the Company has created first charge over its certain land and buildings having carrying value of ₹ 9.27 cr (March 31, 2021: ₹ 9.66 cr) in favour of the Government of Gujarat and paid a security deposit of ₹ 2 cr (March 31, 2021: ₹ 2 cr).

[2]The Company has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the prevailing rent. It has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land.

[3]Includes premises on ownership basis of ₹ 1.10 cr (March 31, 2021: ₹ 1.10 cr) and cost of fully paid share in co-operative society of ₹ 2,000 (March 31, 2021: ₹ 2,000).

[4]Capital work-in-progress mainly comprises addition | expansion projects in progress.

Refer Note 17 (b) for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

Refer Note 28. 2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

## Capital-work-in progress ageing

(₹ cr)

| Particulars | As at March 31, 2022 | | | | | As at March 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 150.77 | 18.21 | 4.03 | 0.43 | 173.44 | 65.86 | 31.27 | 136.82 | 4.97 | 238.92 |
| Projects temporarily suspended | - | - | - | - | - | - | - | - | - | - |

## Capital work-in progress (projects in progress) whose completion is overdue

(₹ cr)

| Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Project 1 | 13.00 | - | - | - | - | - | - | - |
| Project 2 | 10.00 | - | - | - | - | - | - | - |
| Project 3 | 4.00 | - | - | - | - | - | - | - |
| Project 4 | 4.00 | - | - | - | - | - | - | - |
| Project 5 | 3.00 | - | - | - | - | - | - | - |
| Project 6 | - | 32.00 | - | - | 3.00 | - | - | - |
| Project 7 | - | 1.00 | - | - | - | - | - | - |
| Project 8 | - | - | 13.00 | - | 24.00 | - | - | - |
| Project 9 | - | - | 3.00 | - | - | 32.00 | - | - |
| | **34.00** | **33.00** | **16.00** | **-** | **27.00** | **32.00** | **-** | **-** |

## Title deeds of immovable properties not held in name of the Company

| As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|
| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value (₹ cr) | Title deeds held in the name of | Whether title deed holder is a promoter \| Director \| employee \| relative of promoter, director or employee | Property held since which date | Reason for not being held in the name of the Company |
| Property, plant and equipment | Land | 3.13 | Ashokbhai Bhikhubhai Desai | No | August 24, 2021 | In process of transfer in the name of Company |
| Property, plant and equipment | Land | 0.57 | Ashokbhai Bhikhubhai Desai | No | August 24, 2021 | |
| Property, plant and equipment | Land | 0.49 | Ashokbhai Bhikhubhai Desai | No | August 24, 2021 | |
| Property, plant and equipment | Land | 0.38 | Ashokbhai Bhikhubhai Desai | No | August 24, 2021 | |
| Property, plant and equipment | Land | 0.27 | Harisingh Tejasingh Rathod | No | December 21, 2019 | |
| Property, plant and equipment | Land | 0.16 | Ashokbhai Bhikhubhai Desai | No | August 24, 2021 | |
| Property, plant and equipment | Land | 0.07 | Atul Products Ltd | No | February 26, 1992 | |
| Property, plant and equipment | Land | 0.06 | Atul Products Ltd | No | February 26, 1992 | |
| Property, plant and equipment | Land | 0.02 | Atul Products Ltd | No | February 26, 1992 | |
| Property, plant and equipment | Building | 0.01 | Atul Products Ltd | No | March 31, 1968 | |
| | | **5.16** | | | | |

| As at March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|
| Relevant line item in the Balance Sheet | Description of item of property | Gross carrying value (₹ cr) | Title deeds held in the name of | Whether title deed holder is a promoter \| director \| employee \| relative of promoter, director or employee | Property held since which date | Reason for not being held in the name of the Company |
| Property, plant and equipment | Land | 3.04 | Maganbhai Jivrajbhai Patel | No | June 22, 2018 | In process of transfer in the name of Company |
| Property, plant and equipment | Land | 2.25 | Ajitkumar Gopalji Vashi | No | November 20, 2019 | |
| Property, plant and equipment | Land | 2.15 | Pankajrai Thakurbhai Desai and Others | No | April 2, 2019 | |
| Property, plant and equipment | Land | 1.50 | Harshadbhai Desai and Others | No | February 10, 2021 | |
| Property, plant and equipment | Land | 1.05 | Vasantbhai Ratilalbhai Desai and Others | No | May 22, 2019 | |
| Property, plant and equipment | Land | 1.03 | Vasantbhai Ratilalbhai Desai and Others | No | May 22, 2019 | |
| Property, plant and equipment | Land | 0.81 | Yogeshbhai Manibhai Desai | No | November 6, 2018 | |
| Property, plant and equipment | Land | 0.44 | Harshadbhai Chotubhai Nayak and Others | No | October 13, 2020 | |
| Property, plant and equipment | Land | 0.27 | Harisingh Tejasingh Rathod | No | December 21, 2019 | |
| Property, plant and equipment | Land | 0.19 | Amitbhai Desai | No | August 28, 2020 | |
| Property, plant and equipment | Land | 0.07 | Atul Products Ltd | No | February 26, 1992 | |
| Property, plant and equipment | Land | 0.06 | Atul Products Ltd | No | February 26, 1992 | |
| Property, plant and equipment | Land | 0.02 | Atul Products Ltd | No | February 26, 1992 | |
| Property, plant and equipment | Building | 0.01 | Atul Products Ltd | No | March 31, 1968 | |
| | | **12.89** | | | | |

(₹ cr)

| Note 3 Investment properties | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Land - freehold** | | |
| Gross carrying amount | 3.22 | 3.22 |
| **Net carrying amount** | **3.22** | **3.22** |

a) Amount recognised in the Standalone Statement of Profit and Loss for investment properties:

The Company has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Standalone Statement of Profit and Loss, since the Company does not receive any rental income, incur any depreciation or other operating expenses

b) The Company does not have any contractual obligations to purchase, construct or develop, for maintenance or enhancements of investment properties.

c) Fair value:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Investment properties | 86.37 | 82.82 |
| | **86.37** | **82.82** |

### Estimation of fair value

The Company obtains valuations from an independent valuer for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources, including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All resulting fair value estimates for investment properties are included in level 3.

(₹ cr)

| Note 4 Intangible assets | Computer software |
|---|---|
| **Gross carrying amount** | |
| **As at March 31, 2020** | **0.88** |
| Additions | 1.01 |
| **As at March 31, 2021** | **1.89** |
| Additions | - |
| **As at March 31, 2022** | **1.89** |
| **Amortisation** | |
| **Up to March 31, 2020** | **0.25** |
| Amortisation charged for the year | 0.30 |
| **Up to March 31, 2021** | **0.55** |
| Amortisation charged for the year | 0.56 |
| **Up to March 31, 2022** | **1.11** |
| **Net carrying amount** | |
| As at March 31, 2021 | 1.34 |
| **As at March 31, 2022** | **0.78** |

| Note 5.1 Investments in subsidiary companies and joint venture company | | Face value[1] | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Number of shares | Amount (₹ cr) | Number of shares | Amount (₹ cr) |
| a) | **Investment in equity instruments (fully paid-up)** | | | | | |
| | **Subsidiary companies \| joint venture company measured at cost** | | | | | |
| | **Quoted** | | | | | |
| | **In subsidiary company measured at cost** | | | | | |
| | Amal Ltd[2,3] | 10 | 1,29,703 | 18.13 | 1,29,703 | 18.13 |
| | | | | | | |
| | **Unquoted** | | | | | |
| | **In foreign subsidiary companies measured at cost** | | | | | |
| | Atul Brasil Quimicos Ltda | R$ 1 | 7,04,711 | 2.03 | 7,04,711 | 2.03 |
| | Atul China Ltd | US$ 4,10,000 | 1 | 0.92 | 1 | 0.92 |
| | Atul Deutschland GmbH | € 1,00,000 | 1 | - | 1 | - |
| | Atul Europe Ltd | £ 1 | 32,88,911 | 24.14 | 32,88,911 | 24.14 |
| | Atul Middle East FZ-LLC | AED 1,000 | 300 | 0.51 | 300 | 0.51 |
| | Atul USA Inc | US$ 1,000 | 2,000 | 6.29 | 2,000 | 6.29 |
| | | | | | | |
| | **In Indian subsidiary companies measured at cost** | | | | | |
| | Aasthan Dates Ltd | 10 | 20,98,000 | 2.10 | 20,98,000 | 2.10 |
| | Anchor Adhesives Pvt Ltd | 10 | 5,86,155 | 2.28 | 5,86,155 | 2.28 |
| | Atul Bioscience Ltd | 10 | 2,90,21,868 | 52.57 | 2,90,21,868 | 52.57 |
| | Atul Biospace Ltd | 10 | 1,10,30,365 | 13.36 | 1,10,30,365 | 13.36 |
| | Atul Finserv Ltd | 100 | 40,56,671 | 107.13 | 37,35,343 | 94.24 |
| | | 7 | 5,00,000 | 5.00 | 5,00,000 | 5.00 |
| | Atul Healthcare Ltd | 10 | 99,994 | 0.10 | - | - |
| | Atul Lifescience Ltd (current year: ₹ 49,940 and previous year: ₹ 49,940) | 10 | 4,994 | - | - | - |
| | Atul Products Ltd | 10 | 49,99,994 | 5.00 | 9,994 | 0.01 |
| | Atul Rajasthan Date Palms Ltd | 1,000 | 30,001 | 3.00 | 30,001 | 3.00 |
| | Biyaban Agri Ltd | 10 | 10,91,100 | 1.09 | 10,91,100 | 1.09 |
| | Raja Dates Ltd | 10 | 40,95,500 | 4.10 | 40,95,500 | 4.10 |
| | | | | | | |
| | **In joint venture company measured at cost** | | | | | |
| | Rudolf Atul Chemicals Ltd | 10 | 29,18,750 | 6.13 | 29,18,750 | 6.13 |
| | | | | | | |
| b) | **Investment in preference shares (fully paid-up)** | | | | | |
| | **Subsidiary company measured at amortised cost** | | | | | |
| | **Unquoted** | | | | | |
| | Amal Ltd (0% redeemable preference shares) | 10 | 20,00,000 | 1.81 | 40,00,000 | 3.44 |
| | | | | **255.69** | | **239.34** |

| Note 5.2 Other investments | | Face value[1] | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Number of shares | Amount (₹ cr) | Number of shares | Amount (₹ cr) |
| a) | **Investment in equity instruments (fully paid-up)** | | | | | |
| | **Other companies measured at FVTOCI** | | | | | |
| | **Quoted** | | | | | |
| | Arvind Fashions Ltd | 4 | 15,96,105 | 45.31 | 13,87,918 | 19.33 |
| | Arvind Ltd | 10 | 41,27,471 | 47.65 | 41,27,471 | 27.18 |
| | Arvind SmartSpaces Ltd | 10 | 4,12,747 | 8.46 | 4,12,747 | 4.00 |
| | BASF India Ltd | 10 | 2,61,396 | 80.85 | 2,61,396 | 54.10 |
| | ICICI Bank Ltd | 2 | 1,09,026 | 7.96 | 1,09,026 | 6.35 |
| | Majesco Ltd | 5 | - | - | 2,50,000 | 1.65 |
| | Novartis India Ltd | 5 | 3,74,627 | 22.12 | 3,74,627 | 20.67 |
| | Pfizer Ltd | 10 | 9,58,927 | 416.96 | 9,58,927 | 433.90 |
| | The Anup Engineering Ltd | 10 | 1,52,869 | 12.14 | 1,52,869 | 8.72 |
| | | | | | | |
| | **Unquoted** | | | | | |
| | Bhadreshwar Vidyut Pvt Ltd (formerly known as OPGS Power Gujarat Pvt Ltd) | 0.19 | 7,95,000 | 0.02 | 7,95,000 | 0.02 |
| | Bharuch Enviro Infrastructure Ltd | 10 | 70,000 | 0.07 | 70,000 | 0.07 |
| | Gujarat Synthwood Ltd[4] | 10 | - | - | 4,00,000 | - |
| | Narmada Clean Tech Ltd | 10 | 7,15,272 | 0.72 | 7,15,272 | 0.72 |
| | | | | | | |
| b) | **Investment in equity instruments (partly paid-up)** | | | | | |
| | **Other companies measured at FVTOCI** | | | | | |
| | **Quoted** | | | | | |
| | Arvind Fashions Ltd[5] | 4 | - | - | 2,08,187 | 1.46 |
| | | | | | | |
| c) | **Investment in government or trust securities measured at amortised cost** | | | | | |
| | 6 Years National Savings Certificates (deposited with government departments) | | - | 0.01 | - | 0.01 |
| | | | | | | |
| d) | **Investment in bonds measured at FVTPL (quoted)** | | - | 113.11 | - | 15.40 |
| | | | | **755.38** | | **593.58** |

(₹ cr)

| Note 5.3 Current investment | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Unquoted** | | |
| Investment in mutual funds measured at FVTPL | 539.54 | 717.81 |
| | **539.54** | **717.81** |

Aggregate amount of investments and market value thereof:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Aggregate carrying value of quoted investments[3] | 772.69 | 610.89 |
| Aggregate market value of quoted investments | 759.90 | 597.72 |
| Aggregate carrying value of unquoted investments | 777.92 | 939.84 |
| Aggregate amount of impairment in value of investments | - | - |

[1]In ₹ and fully paid unless otherwise stated | [2]Subsidiary company by virtue of control | [3]Book value includes equity component of ₹ 18.12 cr (March 31, 2021: ₹ 18.12 cr) recognised on 0% preference shares and interest free loans given to Amal Ltd carried at amortised cost | [4]Dissolved during the year | [5]Pursuant to rights issue, partially paid ₹ 70 per share in the previous year

(₹ cr)

| Note 6 Loans | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| Loan to group entities (refer Note 28.4 and 28.13) | | | | | |
| a) | Considered good - secured | 12.20 | 36.60 | - | - |
| b) | Considered good - unsecured | 14.52 | 312.42 | - | 30.85 |
| | | **26.72** | **349.02** | **-** | **30.85** |

(₹ cr)

| Note 7 Other financial assets | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| a) | Security deposits for utilities and premises | 0.85 | 1.33 | 0.53 | 1.27 |
| b) | Derivative financial assets designated as hedges (net) | 0.50 | - | 0.60 | - |
| c) | Finance lease receivables (refer Note 28.12) | - | 12.63 | - | 5.86 |
| d) | Interest \| Dividend receivable (refer Note 28.4) | 0.93 | - | - | - |
| e) | Other receivables (including discount receivable, insurance receivable, etc) | 11.86 | - | 12.33 | - |
| | | **14.14** | **13.96** | **13.46** | **7.13** |

(₹ cr)

| Note 8 Other assets | | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Current | Non-current | Current | Non-current |
| a) | Balances with government authorities | | | | | |
| | i) | Taxes paid under protest | - | 16.93 | - | 19.14 |
| | ii) | GST \| VAT receivables | 52.29 | 0.30 | 47.33 | 0.30 |
| | iii) | Balances with statutory authorities | 0.10 | - | 0.10 | - |
| | iv) | Deposits paid under protest | - | 0.17 | - | 0.17 |
| | v) | Security deposits | - | 2.00 | - | 2.00 |
| b) | Export incentive receivables | | 20.07 | - | 18.76 | - |
| c) | Capital advances | | - | 8.84 | - | 17.66 |
| d) | Advances | | | | | |
| | i) | Others | 54.55 | - | 35.65 | - |
| e) | Other receivables | | 3.79 | - | 2.32 | - |
| | | | **130.80** | **28.24** | **104.16** | **39.27** |

(₹ cr)

| Note 9 Inventories[1,2,3] | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Raw materials and packing materials | 185.44 | 140.97 |
| | Add: Goods-in-transit | 14.18 | 9.80 |
| | | 199.62 | 150.77 |
| b) | Work-in-progress | 181.81 | 127.42 |
| c) | Finished goods | 259.85 | 192.95 |
| d) | Stock-in-trade | 9.31 | 3.57 |
| e) | Stores, spares and fuel | 45.17 | 31.43 |
| | Add: Goods-in-transit | 5.27 | 4.43 |
| | | 50.44 | 35.86 |
| | | **701.03** | **510.57** |

[1]Valued at cost or net realisable value, whichever is lower

[2]Inventories have been offered as security against the working capital facilities provided by the bank

[3]Amounts (reversed) | provided in the Standalone Statement of Profit and Loss of ₹ (6.55) cr (March 31, 2021: ₹ 6.91 cr)

(₹ cr)

| Note 10 Trade receivables[1] | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Considered good - unsecured | | |
| | i) Related parties (refer Note 28.4) | 331.49 | 125.29 |
| | ii) Others | 730.80 | 592.13 |
| b) | Which have significant increase in credit risk | | |
| | i) Related parties (refer Note 28.4) | 0.10 | 0.76 |
| | ii) Others | 8.66 | 7.19 |
| c) | Credit impaired | | |
| | Less: Allowance for doubtful debts (refer Note 28.8)[2] | (12.22) | (11.85) |
| | | **1,058.83** | **713.53** |

**Notes**

[1]Trade receivables have been offered as security against the working capital facilities provided by the bank

[2]Allowance for doubtful debts recognised (including expected credit loss) in the Standalone Statement of Profit and Loss of ₹ 0.37 cr (March 31, 2021: ₹ 1.78 cr)

## Trade receivables ageing

(₹ cr)

| No. | Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Not due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | Undisputed trade receivables: considered good | 950.80 | 111.49 | - | - | - | | 1062.29 |
| 2. | Undisputed trade receivables: which have significant increase in credit risk | - | - | 2.72 | 0.95 | 0.50 | 4.59 | 8.76 |
| | Allowance for doubtful debts* | - | (4.70) | (1.49) | (0.95) | (0.50) | (4.58) | (12.22) |
| | | **950.80** | **106.79** | **1.23** | **-** | **-** | **-** | **1,058.83** |

*Allowance for doubtful debts include expected credit loss provision

(₹ cr)

| No. | Particulars | As at March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Not due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | Undisputed trade receivables: considered good | 645.39 | 72.03 | - | - | - | - | 717.42 |
| 2. | Undisputed trade receivables: which have significant increase in credit risk | | | 1.62 | 1.20 | 1.78 | 3.36 | 7.96 |
| | Allowance for doubtful debts* | - | (4.70) | (1.62) | (0.39) | (1.78) | (3.36) | (11.85) |
| | | **645.39** | **67.33** | - | **0.81** | **-** | **-** | **713.53** |

*Allowance for doubtful debts include expected credit loss provision

(₹ cr)

| Note 11 Cash and cash equivalents | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Balances with banks | | |
| | In current accounts | 17.80 | 15.10 |
| b) | Cash on hand | 0.13 | 0.15 |
| | | **17.93** | **15.25** |

There are no repatriation restrictions with regard to cash and cash equivalents.

(₹ cr)

| Note 12 Bank balances other than cash and cash equivalents above | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Unclaimed dividend | 2.73 | 2.75 |
| b) | Unclaimed interest on public deposit (current year: ₹ 15,193 and previous year: ₹ 15,193) | - | - |
| c) | Short-term bank deposit with maturity between 3 to 12 months | 0.09 | 290.73 |
| | | **2.82** | **293.48** |

| Note 13 Equity share capital | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Number of shares | ₹ cr | Number of shares | ₹ cr |
| **a)** | **Authorised** | | | | |
| | Equity shares of ₹ 10 each | 8,00,00,000 | 80.00 | 8,00,00,000 | 80.00 |
| | | | 80.00 | | 80.00 |
| **b)** | **Issued** | | | | |
| | Equity shares of ₹ 10 each | 2,96,17,098 | 29.62 | 2,96,17,098 | 29.62 |
| | | | 29.62 | | 29.62 |
| **c)** | **Subscribed** | | | | |
| | Equity shares of ₹ 10 each, fully paid | 2,95,87,051 | 29.59 | 2,95,87,051 | 29.59 |
| | | | | | |
| **d)** | **Forfeited shares** | | | | |
| | Amount originally paid-up on forfeited shares | 29,991 | 0.02 | 29,991 | 0.02 |
| | | | **29.61** | | **29.61** |

a) Rights, preferences and restrictions:

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each.

i) Equity shares:

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts and preference shares, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each holder of equity shares is entitled to one vote per share.

ii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Shares reserved for allotment at a later date:

56 equity shares are held in abeyance due to disputes at the time of earlier rights issues.

c) Details of shareholders holding more than 5% of equity shares:

| No. | Name of the shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Holding % | Number of shares | Holding % | Number of shares |
| 1. | Aagam Holdings Pvt Ltd | 22.49% | 66,54,000 | 22.48% | 66,54,000 |
| 2. | Arvind Farms Pvt Ltd | 9.45% | 27,96,208 | 9.45% | 27,96,208 |
| 3. | HDFC Trustee Company Ltd | * | * | 5.67% | 16,76,755 |
| 4. | DSP Midcap Fund | * | * | 5.23% | 15,47,441 |

*Shareholding is below 5% as at March 31, 2022

d) Reconciliation of the number of shares outstanding and the amount of equity share capital:

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Number of shares | ₹ cr | Number of shares | ₹ cr |
| Balance as at the beginning of the year[1] | 2,96,17,042 | 29.61 | 2,96,91,724 | 29.68 |
| Less: Buy-back of equity shares (refer Note 28.18) | - | - | 74,682.00 | 0.07 |
| Balance as at the end of the year[1] | 2,96,17,042 | 29.61 | 2,96,17,042 | 29.61 |

[1]Includes 29,991 forfeited shares and amount of ₹ 0.02 cr

e) Shareholding of promoters:

| No. | Name of the promoter | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Number of shares | % of total shares | % change during the year | Number of shares | % of total shares | % change during the year |
| 01. | Aagam Holdings Pvt Ltd | 66,54,000 | 22.49% | - | 66,54,000 | 22.49% | 0.05% |
| 02. | Arvind Farms Pvt Ltd | 27,96,208 | 9.45% | - | 27,96,208 | 9.45% | - |
| 03. | Aagam Agencies Pvt Ltd (formerly known as Adhigam Investments Pvt Ltd) | 11,95,000 | 4.04% | 0.06% | 11,94,254 | 4.04% | 0.07% |
| 04. | Aayojan Resources Pvt Ltd | 6,14,460 | 2.08% | - | 6,14,460 | 2.08% | - |
| 05. | Akshita Holdings Pvt Ltd | 4,64,400 | 1.57% | - | 4,64,400 | 1.57% | 0.22% |
| 06. | Adhinami Investments Pvt Ltd | 4,55,350 | 1.54% | - | 4,55,350 | 1.54% | - |
| 07. | Anusandhan Investments Ltd | 2,35,000 | 0.79% | - | 2,35,000 | 0.79% | - |
| 08. | Samvegbhai Arvindbhai Lalbhai | 2,02,377 | 0.68% | - | 2,02,377 | 0.68% | - |
| 09. | Saumya Samvegbhai Lalbhai | 1,74,070 | 0.59% | - | 1,74,070 | 0.59% | - |
| 10. | Samvegbhai Arvindbhai (on behalf of Samvegbhai Arvindbhai Lalbhai HUF) | 1,14,943 | 0.39% | - | 1,14,943 | 0.39% | - |
| 11. | Sunil Siddharth Lalbhai | 91,772 | 0.31% | - | 91,772 | 0.31% | - |
| 12. | Vimla S Lalbhai* | 65,982 | 0.22% | - | 65,982 | 0.22% | - |
| 13. | Swati S Lalbhai | 63,500 | 0.21% | - | 63,500 | 0.21% | - |
| 14. | Taral S Lalbhai | 50,027 | 0.17% | 0.01% | 50,022 | 0.17% | - |
| 15. | Anamikaben Samveghbhai Lalbhai | 47,199 | 0.16% | - | 47,199 | 0.16% | - |
| 16. | Sunil Siddharth Lalbhai (on behalf of Sunil Siddharth HUF) | 31,544 | 0.11% | - | 31,544 | 0.11% | - |
| 17. | Astha Lalbhai | 20,500 | 0.07% | - | 20,500 | 0.07% | - |
| 18. | Hansa Niranjanbhai (on behalf of Manini Niranjan Trust and BOI) | 5,999 | 0.02% | - | 5,999 | 0.02% | - |
| 19. | Nishtha Sunilbhai Lalbhai | 5,500 | 0.02% | - | 5,500 | 0.02% | - |

| No. | Name of the promoter | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Number of shares | % of total shares | % change during the year | Number of shares | % of total shares | % change during the year |
| 20. | Sanjaybhai Shrenikbhai Lalbhai (on behalf of Arvindbhai Lalbhai Family Trust) | 3,653 | 0.01% | - | 3,653 | 0.01% | - |
| 21. | Swati Siddharth Lalbhai (on behalf of Sunil Lalbhai Employees Trust 1) | 2,000 | 0.01% | 100% | - | - | - |
| 22. | Lalbhai Dalpatbhai HUF | 1,169 | - | - | 1,169 | - | - |
| 23. | Sunil Siddharth Lalbhai (on behalf of Vimla Siddharth Family Trust) | 1,070 | - | 100% | - | - | - |
| 24. | Sheth Narottambhai Lalbhai | 495 | - | - | 495 | - | - |
| 25. | Sunil Lalbhai Employee Trust | - | - | (100%) | 2,000 | 0.01% | - |

*Out of 65,982 shares, 35,620 shares are held on behalf of Siddharth Family Trust and 4,612 shares are held on behalf of Vimla Siddharth Trust

(₹ cr)

| Note 14 Other equity | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| Summary of other equity balance | | | | |
| a) | General reserve | | 68.72 | 68.72 |
| b) | Retained earnings | | 3,663.76 | 3,143.28 |
| c) | Capital redemption reserve | | 0.07 | 0.07 |
| d) | Other reserves | | | |
| | i) | FVTOCI equity instruments | 554.03 | 469.24 |
| | ii) | Effective portion of cash flow hedges | 0.20 | 0.43 |
| | | | **4,286.78** | **3,681.74** |

Refer Standalone Statement of changes in equity for detailed movement in other equity balance.

## Nature and purpose of other reserves

a) General reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of the Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

b) Retained earnings

Retained earnings are the profits that the Company has earned till date, less, any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

c) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Group has created capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

d) FVTOCI equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

e) Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

(₹ cr)

| Note 15 Other financial liabilities | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| a) | Employee benefits payable | 59.50 | - | 55.56 | - |
| b) | Security deposits | 31.09 | - | 30.29 | - |
| c) | Unclaimed dividends* | 2.73 | - | 2.75 | - |
| d) | Creditors for capital goods | 34.51 | - | 32.90 | - |
| e) | Other liabilities | 1.91 | 2.73 | 1.65 | 2.53 |
| | | **129.74** | **2.73** | **123.15** | **2.53** |

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022.

(₹ cr)

| Note 16 Provisions | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| a) | Provision for compensated absences | 9.34 | 27.59 | 7.61 | 24.23 |
| b) | Others {refer i(b) and ii below} | 36.22 | - | 29.26 | - |
| | | **45.56** | **27.59** | **36.87** | **24.23** |

i) Information about individual provisions and significant estimates

a) Compensated absences:

The Compensated absences cover the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 9.34 cr (March 31, 2021: ₹ 7.61 cr) is presented as current since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

b) Others:

Regulatory and other claims:

The Company has provided for certain regulatory and other charges for which it has received claims. The provision represents the unpaid amount that it expects to incur | pay for which the obligating event has already arisen as on the reporting date.

Effluent disposal:

The Company has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount it expects to incur for which the obligating event has already arisen as on the reporting date.

ii) Movements in provisions:

(₹ cr)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Regulatory and other claims | Effluent disposal | Regulatory and other claims | Effluent disposal |
| Balance as at the beginning of the year | 25.59 | 3.67 | 26.67 | 1.95 |
| Less: Utilised | (0.02) | (3.67) | (1.08) | (1.95) |
| Provision made during the year | 4.34 | 6.31 | - | 3.67 |
| **Balance as at the end of the year** | **29.91** | **6.31** | **25.59** | **3.67** |

## Note 17 Borrowings

(₹ cr)

| | Particulars | Maturity | Terms of repayment | Interest rate pa | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|---|---|
| | | | | | Current | Non-current | Current | Non-current |
| a) | Secured | | | | | | | |
| | Cash credit loan from banks repayable on demand | Short-term | Repayable on demand | 7.10% to 7.35% | 22.77 | - | - | - |
| b) | Unsecured | | | | | | | |
| | Working capital demand loan from banks | 0-90 days | 0-90 days | 3.80 % to 4% | 50.17 | - | - | - |
| | | | | | **72.94** | **-** | **-** | **-** |

a) Security details:

Working capital loans repayable on demand from banks (March 31, 2022: ₹ 72.94, March 31, 2021: nil) is secured by hypothecation of tangible current assets, namely, inventories and book debts of the Company as a whole and also secured by second and subservient charge on immovable and movable assets of the Company to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 195.80 cr (March 31, 2021: ₹ 144.73 cr).

b) Quarterly statement of current assets filed with banks during the year are in agreement with the books of accounts.

c) The carrying amount of assets hypothecated | mortgaged as security for borrowing limits are:

(₹ cr)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| i) | Property, plant and equipment excluding leasehold land, certain lands and buildings | 1,253.52 | 1,035.83 |
| ii) | Inventories | 701.03 | 510.57 |
| iii) | Trade receivables | 1,058.83 | 713.53 |
| iv) | Current assets other than inventories and trade receivables | 165.69 | 426.35 |
| | **Total assets as security** | **3,179.07** | **2,686.28** |

d) Net debt reconciliation:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Net debt as at the beginning of the year** | - | - |
| (Repayment) \| Disbursement | 72.94 | - |
| Interest expense | 0.83 | 0.05 |
| Interest paid | (0.83) | (0.05) |
| **Net debt as at the end of the year** | **72.94** | **-** |

(₹ cr)

| Note 18 Trade payables | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| a) | Total outstanding dues of micro-enterprises and small enterprises (refer Note 28.14) | | 43.36 | 22.77 |
| b) | Total outstanding dues of creditors other than micro-enterprises and small enterprises | | | |
| | i) | Related party (refer Note 28.4) | | |
| | | Acceptances | 7.21 | 7.00 |
| | | Payables | 29.83 | 16.90 |
| | ii) | Others | 539.55 | 516.01 |
| | | | **619.95** | **562.68** |

## Trade payables ageing

(₹ cr)

| No. | Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Unbillied | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | MSME | - | 43.36 | - | - | - | - | 43.36 |
| 2. | Others | 74.07 | 399.51 | 103.01 | - | - | - | 576.59 |
| | | **74.07** | **442.87** | **103.01** | **-** | **-** | **-** | **619.95** |

(₹ cr)

| No. | Particulars | As at March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Unbillied | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | MSME | - | 22.77 | - | - | - | - | 22.77 |
| 2. | Others | 55.82 | 414.85 | 68.78 | 0.46 | - | - | 539.91 |
| | | **55.82** | **437.62** | **68.78** | **0.46** | **-** | **-** | **562.68** |

(₹ cr)

| Note 19 Contract liabilities | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Advances received from customers | 30.41 | 23.01 |
| | **30.41** | **23.01** |

(₹ cr)

| Note 20 Other current liabilities | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Statutory dues | 8.26 | 7.44 |
| | | **8.26** | **7.44** |

(₹ cr)

| Note 21 Revenue from operations | 2021-22 | 2020-21 |
|---|---|---|
| Sale of products | 4,731.67 | 3,412.14 |
| Sale of services[1] | 196.86 | 48.26 |
| Scrap sales | 14.95 | 7.63 |
| Processing charges | 8.35 | 9.54 |
| **Revenue from contracts with customers** | **4,951.83** | **3,477.57** |
| Export incentives | 40.92 | 34.78 |
| | **4,992.75** | **3,512.35** |

[1]Includes ₹ 188.52 cr (2020-21: ₹ 43.53 cr) on account of freight and insurance in sale of goods on CIF, which are identified as separate performance obligation under Ind AS 115.

### Disaggregation of revenue from contracts with customers

(₹ cr)

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Sale of goods \| services | | |
| **Life Science Chemicals** | **1,447.02** | **1,128.10** |
| Domestic | 694.28 | 607.37 |
| Export | 752.74 | 520.73 |
| **Performance and Other Chemicals** | **3,709.11** | **2,497.10** |
| Domestic | 2,013.06 | 1,443.31 |
| Export | 1,696.05 | 1,053.79 |
| **Others** | **9.06** | **7.63** |
| | **5,165.19** | **3,632.83** |
| Inter-segment revenue | 213.36 | 155.26 |
| | **4,951.83** | **3,477.57** |

### Reconciliation of revenue from contracts with customers recognised at contract price

(₹ cr)

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| **Contract price** | **5,019.67** | **3,514.54** |
| Adjustments for: | | |
| Consideration payable to customers - discounts[1] | (61.46) | (30.59) |
| Contract price allocated to unsatisfied performance obligation for sale of services (net)[2] | (6.38) | (6.38) |
| **Revenue from contracts with customers** | **4,951.83** | **3,477.57** |

[1]Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the contract price when the Company recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

[2]Unsatisfied performance obligation for sale of services comprises revenue from insurance and freight services for exports in-progress as at March 31, 2022, of ₹ 16.37 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2021. for ₹ 10.11 cr. The revenue for exports in- progress as at March 31, 2022, will be recognised in 2022-23 upon completion of the exports.

(₹ cr)

| Note 22 Other income | 2021-22 | 2020-21 |
|---|---|---|
| Dividends from equity investments measured at FVTOCI | 4.14 | 56.57 |
| Dividends from equity investments measured at cost | 4.38 | 1.46 |
| Interest income from financial assets measured at amortised cost | 21.57 | 15.31 |
| Interest income from financial assets measured at FVTPL | 7.92 | 0.07 |
| Interest from others | 3.02 | 2.54 |
| Lease income | 1.95 | 0.88 |
| (Loss) \| Gain on disposal of property, plant and equipment | (0.56) | 0.86 |
| Gain on investments measured at FVTPL | 23.70 | 23.16 |
| Net exchange rate difference gain \| (loss) | 10.41 | (7.52) |
| Miscellaneous income | 13.54 | 10.38 |
| | **90.07** | **103.71** |

(₹ cr)

| Note 23 Cost of materials consumed | 2021-22 | 2020-21 |
|---|---|---|
| Raw materials and packing materials consumed | | |
| Stocks at commencement | 140.97 | 104.91 |
| Add: Purchase | 2,635.70 | 1,561.07 |
| | 2,776.67 | 1,665.98 |
| Less: Stocks at close | 185.44 | 140.97 |
| | **2,591.23** | **1,525.01** |

(₹ cr)

| Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade | 2021-22 | 2020-21 |
|---|---|---|
| **Stocks at close** | | |
| Finished goods | 259.85 | 192.95 |
| Work-in-progress | 181.80 | 127.42 |
| Stock-in-trade | 9.31 | 3.57 |
| | 450.96 | 323.94 |
| **Less: Stocks at commencement** | | |
| Finished goods | 192.95 | 134.54 |
| Work-in-progress | 127.42 | 125.44 |
| Stock-in-trade | 3.57 | 0.65 |
| | 323.94 | 260.63 |
| (Increase) \| Decrease in stocks | **(127.02)** | **(63.31)** |

(₹ cr)

| Note 25 Employee benefit expenses | 2021-22 | 2020-21 |
|---|---|---|
| Salaries, wages and bonus (refer Note 28.6) | 250.40 | 227.37 |
| Contribution (net) to provident and other funds (refer Note 28.6) | 17.85 | 15.87 |
| Staff welfare | 8.14 | 5.86 |
| | **276.39** | **249.10** |

(₹ cr)

| Note 26 Finance costs | 2021-22 | 2020-21 |
|---|---|---|
| Interest on borrowings | 0.83 | 0.05 |
| Interest on financial liabilities at amortised cost | 1.16 | 1.31 |
| Interest on others | 0.61 | 0.20 |
| Other borrowing costs | 0.34 | 0.41 |
| | **2.94** | **1.97** |

(₹ cr)

| Note 27 Other expenses | 2021-22 | 2020-21 |
|---|---|---|
| Power, fuel and water | 489.34 | 300.58 |
| Freight charges | 263.04 | 93.04 |
| Manpower services | 64.93 | 61.28 |
| Consumption of stores and spares | 54.99 | 51.56 |
| Conversion and plant operation charges | 57.32 | 64.60 |
| Plant and equipment repairs | 83.67 | 67.02 |
| Building repairs | 42.69 | 34.30 |
| Sundry repairs | 13.27 | 9.47 |
| Rent | 2.05 | 2.00 |
| Rates and taxes | 1.36 | 1.33 |
| Insurance | 16.05 | 13.36 |
| Commission | 18.41 | 11.29 |
| Auditors' remuneration[1] | 0.61 | 0.64 |
| Travelling and conveyance | 13.02 | 10.45 |
| Directors' fees and travelling | 0.26 | 0.34 |
| Directors' commission (other than the Executive Directors) | 0.96 | 0.92 |
| Bad debts and irrecoverable balances written off | (1.28) | 0.52 |
| Provision for doubtful debts (net) | 0.37 | 1.78 |
| Loss on assets sold, discarded or demolished | 1.76 | 0.95 |
| Expenditure on Corporate Social Responsibility initiatives (refer Note 28.15) | 15.02 | 12.41 |
| Miscellaneous expenses | 90.73 | 77.74 |
| | **1,228.57** | **815.58** |

[1]Details of Auditors' remuneration are as follows:

(₹ cr)

| Particulars | | 2021-22 | 2020-21 |
|---|---|---|---|
| Remuneration to the Statutory Auditors | | | |
| a) | Audit fees | 0.40 | 0.40 |
| b) | Tax matters | 0.11 | 0.10 |
| c) | Other matters | 0.07 | 0.09 |
| d) | Out of pocket expenses | - | 0.02 |
| Remuneration to the Cost Auditors | | | |
| a) | Audit fees | 0.03 | 0.03 |
| | | **0.61** | **0.64** |

## Note 28.1 Contingent liabilities

(₹ cr)

| Particulars | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Claims against the Company not acknowledged as debts in respects of:** | | | |
| i) | Excise duty | 0.67 | 0.82 |
| ii) | Income tax | 7.61 | 8.27 |
| iii) | Customs duty | 1.94 | 1.94 |
| iv) | Others | 109.75 | 104.91 |

Others include claims on account of water charges and customer claims | potential claims.

The regulatory claims are under litigation at various forums. The Company expects the outcome of the above matters to be in its favour and has, therefore, not recognised provision in relation to these claims. The above excludes interest | penalty unless demanded by the authorities.

## Note 28.2 Commitments

**a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period, but not recognised as liabilities, is as follows:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Estimated amount of contracts remaining to be executed and not provided for (net of advances):** | | |
| Property, plant and equipment | 85.83 | 63.69 |
| **Other commitment[1]** | - | 1.36 |

[1]Uncalled money pertaining to investment in partly paid equity shares of a listed entity.

**b) The Company has provided letters of financial support to its two subsidiary companies.**

## Note 28.3 Research and development

Details of expenditure incurred on approved in-house research and development facilities:

(₹ cr)

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Other capital expenditure | 0.32 | 3.24 |
| Capital expenditure on building | 3.06 | - |
| Recurring expenditure | 29.01 | 25.98 |
| | **32.39** | **29.22** |

## Note 28.4 Related party disclosures

## Note 28.4 (A) Related party information

Name of the related party and nature of relationship

| No. | Name of the related party | Description of relationship |
|---|---|---|
| 01. | Aaranyak Urmi Ltd[1] | Subsidiary companies |
| 02. | Aasthan Dates Ltd | |
| 03. | Amal Ltd[2] | |
| 04. | Amal Speciality Chemicals Ltd[1] | |
| 05. | Anchor Adhesives Pvt Ltd | |
| 06. | Atul Aarogya Ltd | |
| 07. | Atul Ayurveda Ltd | |
| 08. | Atul Bioscience Ltd | |
| 09. | Atul Biospace Ltd | |
| 10. | Atul Brasil Quimicos Ltda | |
| 11. | Atul China Ltd | |
| 12. | Atul Clean Energy Ltd | |
| 13. | Atul Crop Care Ltd | |
| 14. | Atul Deutschland GmbH | |
| 15. | Atul Entertainment Ltd | |
| 16. | Atul Europe Ltd | |
| 17. | Atul Finserv Ltd | |
| 18. | Atul Fin Resources Ltd[1] | |
| 19. | Atul Healthcare Ltd | |
| 20. | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | |
| 21. | Atul Hospitality Ltd | |
| 22. | Atul Infotech Pvt Ltd[1] | |
| 23. | Atul Ireland Ltd | |
| 24. | Atul Lifescience Ltd | |
| 25. | Atul Middle East FZ-LLC | |
| 26. | Atul Natural Dyes Ltd | |
| 27. | Atul Natural Foods Ltd | |
| 28. | Atul Nivesh Ltd[1] | |
| 29. | Atul Paints Ltd | |

## Note 28.4 Related party disclosures (continued)

| No. | Name of the related party | Description of relationship |
|---|---|---|
| 30. | Atul Polymers Products Ltd | Subsidiary companies |
| 31. | Atul Products Ltd | |
| 32. | Atul Rajasthan Date Palms Ltd[1] | |
| 33. | Atul Renewable Energy Ltd | |
| 34. | Atul (Retail) Brands Ltd | |
| 35. | Atul Seeds Ltd | |
| 36. | Atul USA Inc | |
| 37. | Biyaban Agri Ltd | |
| 38. | DPD Ltd[1] | |
| 39. | Jayati Infrastructure Ltd | |
| 40. | Osia Dairy Ltd | |
| 41. | Osia Infrastructure Ltd | |
| 42. | Raja Dates Ltd | |
| 43. | Sehat Food Ltd | |
| 44. | Rudolf Atul Chemicals Ltd | Joint venture company |
| 45. | Anaven LLP | Joint operation of subsidiary company |
| 46. | Samveg Agencies Pvt Ltd | Entity over which control is exercised by Key Management Personnel |
| 47. | Key Management Personnel | |
| | Sunil Lalbhai | Chairman and Managing Director |
| | Samveg Lalbhai | Managing Director |
| | Bharathy Mohanan | Whole-time Director and President - U&S |
| | Gopi Kannan Thirukonda | Whole-time Director and CFO |
| | Rajendra Shah | Non-executive Director |
| | Bansi Mehta | Non-executive Director |
| | Susim Datta | Non-executive Director |
| | Srinivasa Rangan | Non-executive Director |
| | Mukund Chitale | Non-executive Director |
| | Shubhalakshmi Panse | Non-executive Director |
| | Baldev Arora | Non-executive Director |
| 48. | Close family members of Key Management Personnel | |
| | Vimla Lalbhai | Mother of Sunil Lalbhai |
| | Swati Lalbhai | Sister of Sunil Lalbhai |
| | Astha Lalbhai | Daughter of Sunil Lalbhai |
| | Saumya Lalbhai | Son of Samveg Lalbhai |
| | Nishtha Lalbhai | Daughter of Sunil Lalbhai |
| 49. | Welfare funds | Entities over which Key Management Personnel or their close family members have significant influence |
| | Atul Foundation Trust | |
| | Atul Kelavani Mandal | |
| | Atul Rural Development Fund | |
| | Atul Vidyalaya Trust | |
| | Urmi Stree Sanstha | |

## Note 28.4 Related party disclosures (continued)

| No. | Name of the related party | Description of relationship |
|---|---|---|
| 50. | Other related parties | |
| | Atul Limited Employees Gratuity Fund | Post-employment benefit plan of Atul Ltd |
| | Atul Products Ltd-Ankleshwar Division Employees' Provident Fund Trust | |
| | The Atul Officers Retirement Benefit Fund | |

[1]Investments held through subsidiary companies | [2]Subsidiary company by virtue of control

(₹ cr)

| Note 28.4 (B) Transactions with subsidiary companies | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| a) | **Sales and income** | | | |
| | 1. | Sale of goods | **919.05** | **511.68** |
| | | Aaranyak Urmi Ltd | 0.02 | 0.03 |
| | | Amal Ltd | 0.19 | - |
| | | Atul Bioscience Ltd | 58.82 | 43.59 |
| | | Atul Biospace Ltd | 7.84 | 7.20 |
| | | Atul China Ltd | 136.29 | 106.72 |
| | | Atul Europe Ltd | 241.47 | 143.25 |
| | | Atul Ireland Ltd | 0.12 | - |
| | | Atul Middle East FZ-LLC | 2.26 | - |
| | | Atul Products Ltd | 0.08 | - |
| | | Atul USA Inc | 471.90 | 210.89 |
| | | Osia Infrastructure Ltd (previous year: ₹ 1,151) | 0.05 | |
| | 2. | Service charges received | **9.51** | **7.07** |
| | | Amal Ltd | 1.19 | 1.19 |
| | | Amal Speciality Chemicals Ltd | 0.31 | 0.06 |
| | | Atul Bioscience Ltd | 5.04 | 5.37 |
| | | Atul Biospace Ltd | 0.31 | 0.03 |
| | | Atul Crop Care Ltd | 0.11 | 0.10 |
| | | Atul Finserv Ltd | 0.06 | 0.05 |
| | | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | 0.04 | - |
| | | Atul Infotech Pvt Ltd | 0.15 | 0.20 |
| | | Atul Products Ltd | 1.66 | 0.07 |
| | | Osia Infrastructure Ltd | 0.65 | - |
| | 3. | Interest received | **11.52** | **1.60** |
| | | Atul Bioscience Ltd | 5.13 | 1.60 |
| | | Atul Products Ltd | 6.39 | - |
| | 4. | Lease rent received | **0.07** | **0.01** |
| | | Aaranyak Urmi Ltd (current year: ₹ 4,333) | | - |
| | | Amal Ltd (current year: ₹ 8,000 and previous year: ₹ 8,000) | | |
| | | Amal Speciality Chemicals Ltd (current year: ₹ 1,000) | | - |
| | | Atul Bioscience Ltd (current year: ₹ 3,935 and previous year: ₹ 3,935)) | | |
| | | Atul Biospace Ltd (previous year: ₹ 30,000 and previous year: ₹ 30,000) | | |
| | | Atul Finserv Ltd | 0.05 | - |
| | | Atul Natural Dyes Ltd (current year: ₹ 1,000) | | - |
| | | Atul Natural Foods Ltd (current year: ₹ 1,000) | | - |

## Note 28.4 Related party disclosures (continued)

(₹ cr)

| Note 28.4 (B) Transactions with subsidiary companies | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| | | Atul Renewable Energy Ltd (current year: ₹ 1,000) | | - |
| | | Osia Infrastructure Ltd | 0.02 | 0.01 |
| | 5. | Brand usage charges | **0.15** | **0.14** |
| | | Atul Aarogya Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Ayurveda Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Bioscience Ltd | 0.14 | 0.14 |
| | | Atul Biospace Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Clean Energy Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Crop Care Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Entertainment Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Fin Resource Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Finserv Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Hospitality Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Infotech Pvt Ltd (current year: ₹ 25,000 and previous year: ₹ 25,000) | | |
| | | Atul Nivesh Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Rajasthan Date Palms Ltd | 0.01 | - |
| | | Atul (Retail) Brands Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| | | Atul Seeds Ltd (current year: ₹ 500 and previous year: ₹ 500) | | |
| **b)** | **Purchases and expenses** | | | |
| | 1. | Purchase of goods | **67.84** | **32.05** |
| | | Aaranyak Urmi Ltd | 0.01 | |
| | | Amal Ltd | 31.41 | 23.76 |
| | | Atul Bioscience Ltd | 12.55 | 1.06 |
| | | Atul Biospace Ltd | 0.01 | 0.02 |
| | | Atul China Ltd | 4.06 | - |
| | | Atul Europe Ltd | 1.63 | - |
| | | Atul USA Inc | 0.36 | |
| | | Biyaban Agri Ltd | - | 7.21 |
| | | DPD Ltd | 11.80 | - |
| | | Osia Infrastructure Ltd | 6.01 | - |
| | 2. | Capital purchase | **-** | **8.04** |
| | | Atul USA Inc | - | 8.04 |
| | 3. | Service charges | **36.87** | **35.25** |
| | | Atul Biospace Ltd | 0.02 | 0.02 |
| | | Atul Crop Care Ltd | 16.83 | 14.63 |
| | | Atul Finserv Ltd | 0.87 | 0.74 |
| | | Atul Infotech Pvt Ltd | 3.76 | 3.84 |
| | | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | 15.38 | 16.02 |
| | 4. | Commission | **9.08** | **7.40** |
| | | Atul Brasil Quimicos Ltda | 1.25 | 1.50 |
| | | Atul China Ltd | 1.95 | 0.99 |
| | | Atul Europe Ltd | 2.80 | 2.80 |

## Note 28.4 Related party disclosures (continued)

(₹ cr)

| Note 28.4 (B) Transactions with subsidiary companies | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| | | Atul Middle East FZ-LLC | 2.24 | 1.70 |
| | | Atul USA Inc | 0.84 | 0.41 |
| | 5. | Reimbursement of expenses | **8.72** | **7.61** |
| | | Aaranyak Urmi Ltd (current year: ₹ 8,326) | | 0.06 |
| | | Amal Ltd | 0.01 | 0.02 |
| | | Atul Biospace Ltd (current year: ₹ 1,440) | | - |
| | | Atul Bioscience Ltd | - | 0.10 |
| | | Atul Brasil Quimicos Ltda | 0.01 | 4.64 |
| | | Atul China Ltd | 0.10 | 0.72 |
| | | Atul Crop Care Ltd | 5.26 | 0.06 |
| | | Atul Europe Ltd | 0.75 | - |
| | | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | 1.88 | 1.87 |
| | | Atul Middle East FZ-LLC | - | 0.10 |
| | | Atul Products Ltd | 0.29 | - |
| | | Atul USA Inc | 0.42 | 0.04 |
| **c)** | **Other transactions** | | | |
| | 1. | Repayment of loans given | **6.76** | **-** |
| | | Atul Bioscience Ltd | 6.76 | - |
| | 2. | Direct investment made in equity shares | **17.98** | **5.12** |
| | | Atul Finserv Ltd | 12.89 | 5.12 |
| | | Atul Healthcare Ltd | 0.10 | - |
| | | Atul Lifescience Ltd (previous year: ₹ 49,940) | - | |
| | | Atul Products Ltd | 4.99 | - |
| | 3. | Reimbursements received | **0.03** | **-** |
| | | Aaranyak Urmi Ltd (current year: ₹ 6,276 and previous year: ₹ 1,100) | | |
| | | Amal Ltd (current year: ₹ 39,731) | | - |
| | | Atul Bioscience Ltd ( previous year: ₹ 45) | 0.01 | |
| | | Atul Products Ltd | 0.02 | - |
| | | Osia Infrastructure Ltd (current year: ₹ 5,527 and previous year: ₹ 15,006) | | |
| | 4. | Redemption of preference shares | **2.00** | **2.00** |
| | | Amal Ltd | 2.00 | 2.00 |
| | 5. | Loan given | **290.23** | **6.50** |
| | | Atul Bioscience Ltd | 36.83 | 6.50 |
| | | Atul Products Ltd | 253.40 | - |
| | 6. | Extension of loan given | - | 17.50 |
| | | Atul Bioscience Ltd | - | 17.50 |
| | 7. | Sale of fixed assets | **0.01** | **0.23** |
| | | Atul Bioscience Ltd | 0.01 | 0.23 |
| | | Atul Biospace Ltd (previous year: ₹ 5,294) | - | |
| | 8. | Purchase of investment | **-** | **0.01** |
| | | Atul Biospace Ltd | - | 0.01 |

## Note 28.4 Related party disclosures (continued)

(₹ cr)

| Note 28.4 (C) Transactions with joint venture company | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| a) | **Sales and income** | | | |
| | 1. | Sale of goods | 3.73 | 2.10 |
| | 2. | Service charges received | 3.92 | 3.55 |
| | 3. | Lease rent received | 0.66 | 0.46 |
| | 4. | Brand usage charges | 0.02 | 0.02 |
| b) | **Purchases and expenses** | | | |
| | | Purchase of goods | 0.01 | 0.09 |
| c) | **Other transactions** | | | |
| | 1. | Dividends received from equity investment measured at cost | 4.38 | 1.46 |
| | 2. | Reimbursements received | 0.27 | 0.16 |
| | 3. | Sale of fixed assets | - | 0.06 |

The above transactions are with Rudolf Atul Chemicals Ltd.

(₹ cr)

| Note 28.4 (D) Transactions with joint operation of subsidiary company | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| a) | **Sales and income** | | | |
| | 1. | Sale of goods | 12.73 | 0.90 |
| | 2. | Service charges received | 1.34 | 0.13 |
| | 3. | Lease rent received | 2.05 | 0.13 |
| | 4. | Interest income | 5.69 | 0.37 |
| b) | **Purchases and expenses** | | | |
| | | Purchase of goods | 126.46 | 7.19 |
| c) | **Other transactions** | | | |
| | 1. | Sale of capital work-in-progress (current year: ₹ 6,960) | | 0.58 |
| | 2. | Reimbursements received | 0.69 | 3.63 |
| | 3. | Loan given | 94.62 | - |
| | 4. | Repayment of loan given | 33.20 | 6.85 |

(₹ cr)

| Note 28.4 (E) Key Management Personnel compensation | | 2021-22 | 2020-21 |
|---|---|---|---|
| **Remuneration[1]** | | **21.82** | **21.55** |
| 1. | Short-term employee benefits | 19.45 | 19.32 |
| 2. | Post-employment benefits[1] | 1.15 | 0.98 |
| 3. | Commission and other benefits to Non-executive Directors | 1.21 | 1.25 |

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

## Note 28.4 Related party disclosures (continued)

(₹ cr)

| Note 28.4 (F) Close family members of Key Management Personnel compensation | | 2021-22 | 2020-21 |
|---|---|---|---|
| **Remuneration**[1] | | **0.88** | **0.74** |
| 1. | Astha Lalbhai | 0.40 | 0.38 |
| 2. | Saumya Lalbhai | 0.26 | 0.25 |
| 3. | Nishtha Lalbhai | 0.21 | 0.11 |

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

| Note 28.4 (G) Transactions with entities over which Key Management Personnel or their close family members have significant influence | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| **a)** | **Sales and income** | | | |
| | 1. | Sale of goods | **0.12** | **0.12** |
| | | Atul Kelavani Mandal | 0.03 | 0.04 |
| | | Atul Rural Development Fund (current year: ₹ 44,778 and previous year: ₹ 35,555) | | |
| | | Atul Vidyalaya Trust | 0.09 | 0.08 |
| | | Urmi Stree Sanstha (current year: ₹ 21,702 and previous year: ₹ 25,667) | | |
| | 2. | Lease rent received | **0.02** | **0.05** |
| | | Atul Kelavani Mandal | 0.02 | 0.05 |
| **b)** | **Purchases and expenses** | | | |
| | | Purchase of goods | **0.02** | **0.05** |
| | | Atul Foundation Trust | 0.02 | 0.05 |
| **c)** | **Other transactions** | | | |
| | 1. | Expenditure on Corporate Social Responsibility initiatives | **6.80** | **2.25** |
| | | Atul Foundation Trust | 6.30 | 2.25 |
| | | Atul Rural Development Fund | 0.50 | - |
| | 2. | Reimbursements received | **0.03** | **0.05** |
| | | Atul Foundation Trust (current year: ₹ 11,488 and previous year: ₹ 31,578) | | |
| | | Atul Kelavani Mandal (current year: ₹ 35,420) | | 0.01 |
| | | Atul Rural Development Fund (current year: ₹ 1,276 and previous year: ₹ 165) | | |
| | | Atul Vidyalaya Trust | 0.04 | 0.04 |
| | | Urmi Stree Sanstha (current year: ₹ 12,000 and previous year: ₹ 12,000) | | |

(₹ cr)

| Note 28.4 (H) Transactions with post-employment benefit plan of Atul Ltd | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| **a)** | **Contributions during the year (Employer's contribution only)** | | | |
| | | Atul Ltd Employees Gratuity Fund | 9.98 | 4.06 |
| | | Atul Products Ltd-Ankleshwar Division Employees' Provident Fund Trust | 0.24 | 0.23 |

## Note 28.4 Related party disclosures (continued)

(₹ cr)

| Note 28.4 (I) Outstanding balances as at year end | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| a) | With subsidiary companies | | | |
| | 1. | Loans receivable | **307.46** | **24.00** |
| | | Atul Bioscience Ltd | 54.06 | 24.00 |
| | | Atul Products Ltd | 253.40 | - |
| | 2. | Receivables | **329.29** | **121.82** |
| | | Aaranyak Urmi Ltd (current year: ₹ 1,080 and previous year: ₹ 9,720) | | |
| | | Amal Ltd | 0.43 | 0.45 |
| | | Amal Speciality Chemicals Ltd | 0.09 | 0.07 |
| | | Atul Bioscience Ltd | 18.14 | 8.85 |
| | | Atul Biospace Ltd | 0.99 | 0.43 |
| | | Atul China Ltd | 49.72 | 18.59 |
| | | Atul Crop Care Ltd | 0.02 | 0.02 |
| | | Atul Europe Ltd | 67.98 | 42.99 |
| | | Atul Finserv Ltd (previous year: ₹ 10,007) | 0.06 | |
| | | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) (current year: ₹ 43,403) | | - |
| | | Atul Infotech Pvt Ltd (current year: ₹ 3,261) | | 0.02 |
| | | Atul Ireland Ltd | 0.12 | - |
| | | Atul Lifescience Ltd (previous year: ₹ 49,940) | - | |
| | | Atul Natural Dyes Ltd (current year: ₹ 1,180) | | - |
| | | Atul Natural Foods Ltd (current year: ₹ 1,180) | | - |
| | | Atul Polymers Products Ltd | 0.07 | 0.07 |
| | | Atul Products Ltd | 0.15 | 50.32 |
| | | Atul Rajasthan Date Palms Ltd | 0.01 | - |
| | | Atul USA Inc | 191.30 | - |
| | | Osia Infrastructure Ltd | 0.21 | 0.01 |
| | 3. | Payables | **16.36** | **16.21** |
| | | Aaranyak Urmi Ltd (previous year: ₹ 33,248) | - | |
| | | Amal Ltd | 1.13 | 4.64 |
| | | Atul Bioscience Ltd | 1.42 | 0.14 |
| | | Atul Biospace Ltd | 0.02 | 0.02 |
| | | Atul Brasil Quimicos Ltda | 0.99 | 1.13 |
| | | Atul China Ltd | 0.36 | 0.36 |
| | | Atul Crop Care Ltd | 1.90 | 3.61 |
| | | Atul Europe Ltd | 2.88 | 1.80 |
| | | Atul Finserv Ltd | 0.12 | 0.09 |
| | | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | 1.60 | - |
| | | Atul Infotech Pvt Ltd | 0.29 | 0.33 |
| | | Atul Middle East FZ-LLC | 1.17 | 1.49 |
| | | Atul Rajasthan Date Palms Ltd | - | 0.04 |
| | | Atul USA Inc | 2.82 | 0.78 |
| | | Osia Infrastructure Ltd | 1.66 | 1.78 |

## Note 28.4 Related party disclosures (continued)

(₹ cr)

| Note 28.4 (I) Outstanding balances as at year end | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| | 4. | Acceptances | **7.21** | **7.00** |
| | | Atul Fin Resources Ltd | 7.21 | 7.00 |

(₹ cr)

| Note 28.4 (I) Outstanding balances as at year end | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **b)** | **With joint venture company** | | | |
| | 1. | Receivables | 0.89 | 1.34 |
| | 2. | Refundable security deposit | 2.00 | 2.20 |

The above balances are with Rudolf Atul Chemicals Ltd.

(₹ cr)

| Note 28.4 (I) Outstanding balances as at year end | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **c)** | **With joint operation** | | | |
| | 1. | Receivables | 0.86 | 1.78 |
| | 2. | Payables | 12.22 | 8.42 |
| | 3. | Loan receivable | 68.28 | 7.23 |
| | 4. | Interest accrued on loan given | 0.93 | - |

The above balances are with Anaven LLP.

(₹ cr)

| Note 28.4 (I) Outstanding balances as at year end | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **d)** | **With entities over which Key Management Personnel or their close family members have significant influence** | | | |
| | 1. | Receivables | **0.02** | **0.03** |
| | | Atul Foundation Trust (current year: ₹ 22,728 and previous year: ₹ 13,006) | | |
| | | Atul Kelavani Mandal | 0.01 | 0.01 |
| | | Atul Rural Development Fund (current year: ₹ 22,108 and previous year: ₹ 20,256) | | |
| | | Atul Vidyalaya Trust | 0.01 | 0.02 |
| | | Urmi Stree Sanstha (current year: ₹ 4,448 and previous year: ₹ 9,633) | | |
| | 2. | Payables | **0.04** | **0.05** |
| | | Atul Foundation Trust (previous year: ₹ 47,494) | - | |
| | | Atul Vidyalaya Trust | 0.04 | 0.05 |

### Note 28.4 (J) Terms and conditions

1. Sales to and purchases from related parties were made on normal commercial terms and conditions and at prevailing market prices or where market price is not available at cost plus margin.
2. Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Subscriptions of additional equity shares were on preferential basis.
3. All outstanding balances are unsecured and are repayable in cash and cash equivalent.

## Note 28.5 Current and deferred taxes

The major components of income tax expense for the years ended March 31, 2022, and March 31, 2021, are:

### a) Income tax expense recognised in the Statement of Profit and Loss

(₹ cr)

| | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|
| i) | **Current tax** | | |
| | Current tax on profit for the year | 200.61 | 200.69 |
| | Adjustments for current tax of prior periods | - | (1.50) |
| | Total current tax expense | **200.61** | **199.19** |
| ii) | **Deferred tax** | | |
| | (Decrease) \| Increase in deferred tax liabilities | (2.39) | (0.90) |
| | Decrease \| (Increase) in deferred tax assets | (1.78) | (1.43) |
| | Total deferred tax expense \| (benefit) | (4.17) | (2.33) |
| | Income tax expense | **196.44** | **196.86** |

### b) Income tax expense recognised in the other comprehensive income

(₹ cr)

| | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|
| i) | **Current tax** | | |
| | Remeasurement gain \| (loss) on defined benefit plans | (1.70) | (0.27) |
| | Total current tax expenses | **(1.70)** | **(0.27)** |
| ii) | **Deferred tax** | | |
| | Fair value of equity investment | 2.53 | 9.61 |
| | Effective portion of gain \| (loss) on cash flow hedges | 0.13 | 0.15 |
| | Total deferred tax expenses \| (benefits) | 2.66 | 9.76 |
| | **Income tax expenses** | **0.96** | **9.49** |

### c) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows:

| | | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|---|
| a) | Statutory income tax rate | | 25.17% | 25.17% |
| b) | Differences due to: | | | |
| | i) | Non-deductible expenses | 0.39% | 0.53% |
| | ii) | Exempt income | (0.73%) | (0.02%) |
| | iii) | Income tax incentives | (0.27%) | (1.77%) |
| | iv) | Others | (0.13%) | (0.13%) |
| | **Effective income tax rate** | | **24.43%** | **23.78%** |

## Note 28.5 Current and deferred tax (continued)

### d) Current tax assets

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening balance | 10.99 | 9.18 |
| Add: Taxes paid in advance, net of provision during the year | (4.10) | 1.81 |
| **Closing balance** | **6.89** | **10.99** |

### e) Current tax liabilities

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening balance | 4.32 | - |
| Add: Current tax payable for the year | 200.61 | 199.19 |
| Less: Taxes paid | (198.23) | (194.87) |
| **Closing balance** | **6.70** | **4.32** |

### f) Deferred tax liabilities (net)

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

(₹ cr)

| Particulars | As at March 31, 2022 | Charged \| (Credited) to | | As at March 31, 2021 | Charged \| (Credited) to | | As at March 31, 2020 |
|---|---|---|---|---|---|---|---|
| | | profit or loss | OCI \| equity | | profit or loss | OCI \| equity | |
| Property, plant and equipment | 85.13 | (1.5) | - | 86.67 | (5.03) | - | 91.70 |
| Unrealised gain on mutual fund | 3.68 | (0.9) | - | 4.53 | 4.13 | - | 0.40 |
| Fair value equity investments (net) | 27.38 | - | 2.53 | 24.85 | - | 9.61 | 15.24 |
| **Total deferred tax liabilities** | **116.19** | **(2.4)** | **2.53** | **116.05** | **(0.90)** | **9.61** | **107.34** |
| Provision for leave encashment | (9.30) | (1.28) | - | (8.02) | (1.05) | - | (6.97) |
| Provision for doubtful debts | (3.07) | (0.09) | - | (2.98) | (0.45) | - | (2.53) |
| Regulatory and other charges | (6.33) | 0.01 | - | (6.34) | 0.38 | - | (6.72) |
| Investment properties | (7.43) | (0.42) | - | (7.01) | (0.31) | - | (6.70) |
| Cash flow hedges | 0.30 | - | 0.13 | 0.17 | - | 0.15 | 0.02 |
| **Total deferred tax assets** | **(25.83)** | **(1.78)** | **0.13** | **(24.18)** | **(1.43)** | **0.15** | **(22.90)** |
| **Net deferred tax liabilities \| (assets)** | **90.36** | **(4.17)** | **2.66** | **91.87** | **(2.33)** | **9.76** | **84.44** |

## Note 28.6 Employee benefit obligations

### Funded schemes

### a) Defined benefit plans

**Gratuity**

The Company operates a gratuity plan through the Atul Ltd Employees Gratuity Fund. Every employee is entitled to a benefit equivalent to the last drawn salary of 15 days for each completed year of service in line with the Payment of Gratuity Act, 1972 or the Company scheme, whichever is more beneficial. Gratuity is payable at the time of separation or retirement from the Company, whichever is earlier. The benefit vests after five years of continuous service.

## Note 28.6 Employee benefit obligations (continued)

(₹ cr)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| **As at March 31, 2020** | **48.72** | **(48.72)** | **-** |
| Current service cost | 3.03 | - | 3.03 |
| Interest expense \| (income) | 3.04 | (3.04) | - |
| **Total amount recognised in profit and loss** | **6.07** | **(3.04)** | **3.03** |
| Remeasurement | | | |
| Return on plan assets, excluding amount included in interest expense | - | (0.14) | (0.14) |
| Loss from change in financial assumptions | (0.31) | - | (0.31) |
| Experience (gain) | 1.52 | - | 1.52 |
| **Total amount recognised in other comprehensive income** | **1.21** | **(0.14)** | **1.07** |
| Employer contributions | - | (4.06) | (4.06) |
| Benefit payments | (3.20) | 3.20 | - |
| Liability transferred out | (0.04) | - | (0.04) |
| **As at March 31, 2021** | **52.76** | **(52.76)** | **-** |
| Current service cost | 3.53 | - | 3.53 |
| Interest expense \| (income) | 3.34 | (3.34) | - |
| **Total amount recognised in profit and loss** | **6.87** | **(3.34)** | **3.53** |
| Remeasurement | | | |
| (Gain) from change in financial assumptions | 3.83 | 0.05 | 3.83 |
| Experience loss | 2.87 | - | 2.87 |
| **Total amount recognised in other comprehensive income** | **6.70** | **0.05** | **6.70** |
| Employer contributions | - | (9.98) | (9.98) |
| Benefit payments | (5.04) | 4.87 | (0.17) |
| Liability transferred out | (0.13) | - | (0.13) |
| **As at March 31, 2022** | **61.16** | **(61.16)** | **-** |

The net liability disclosed above relates to the following funded and unfunded plans:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of funded obligations | 61.16 | 52.76 |
| Fair value of plan assets | (61.16) | (52.76) |
| **Deficit of gratuity plan** | **-** | **-** |

### Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount rate | 6.41% | 6.33% |
| Attrition rate | 15.00% | 8.00% |
| Rate of return on plan assets | 6.41% | 6.33% |
| Salary escalation rate | 10.70% | 7.62% |

## Note 28.6 Employee benefit obligations (continued)

### Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars | Change in assumptions | | Impact on defined benefit obligation | | | |
|---|---|---|---|---|---|---|
| | | | Increase in assumptions | | Decrease in assumptions | |
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Discount rate | 1.00% | 1.00% | (3.76%) | (4.06%) | 4.08% | 4.49% |
| Attrition rate | 1.00% | 1.00% | (0.89%) | (0.41%) | 0.96% | 0.45% |
| Rate of return on plan assets | 1.00% | 1.00% | (3.76%) | (4.06%) | 4.08% | 4.49% |
| Salary escalation rate | 1.00% | 1.00% | 3.88% | 4.39% | (3.65%) | (4.04%) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Standalone Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the previous year.

### Major categories of plan assets are as follows:

(₹ cr)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Unquoted | in % | Unquoted | in % |
| **Government of India assets** | 1.18 | 1.93% | 1.18 | 2.24% |
| **Debt instruments** | | | | |
| Corporate bonds | 1.22 | 2.00% | 1.17 | 2.22% |
| **Investment funds** | | | | |
| Insurance funds | 53.09 | 86.81% | 50.23 | 95.20% |
| **Others** | 5.50 | 8.99% | 0.02 | 0.04% |
| **Special deposit schemes** | 0.16 | 0.26% | 0.16 | 0.30% |
| | **61.16** | **100%** | **52.76** | **100%** |

## Note 28.6 Employee benefit obligations (continued)

### Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks; the most significant of which are detailed below:

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. All deviations from the range are corrected by rebalancing the portfolio. It intends to maintain the above investment mix in the coming years.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. It has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets. A large portion of assets consists of insurance funds; it also invests in corporate bonds and special deposit schemes. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2023, are ₹ 4.13 cr.

The weighted average duration of the defined benefit obligation is six years (2020-21: six years). The expected maturity analysis of gratuity is as follows:

(₹ cr)

| Particulars | Less than a year | Between 1 - 2 years | Between 2 - 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Defined benefit obligation (gratuity) | | | | | |
| As at March 31, 2022 | 11.4 | 9.5 | 28.59 | 29.65 | 79.14 |
| As at March 31, 2021 | 9.64 | 6.48 | 22.84 | 34.71 | 73.67 |

### Provident fund

The Company has established an employee provident fund trust for employees based at Ankleshwar. It is administered by the Company to which both the employee and the employer make monthly contributions equal to 12% of basic salary of employee. The contribution of the Company to the provident fund for all employees is charged to the Standalone Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability is ₹ nil. The Company has contributed the following amounts towards provident fund during the respective period ended:

(₹ cr)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| i) | Defined benefit obligation | 11.29 | 11.89 |
| ii) | Funds | 11.68 | 12.21 |
| | **Net assets \| (liabilities)** | **0.39** | **0.32** |
| iii) | Charge to the Standalone Statement of Profit and Loss during the year (included in Note 25) | 0.24 | 0.23 |

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## Note 28.6 Employee benefit obligations (continued)

The assumptions used in determining the present value of obligation:

| | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|
| i) | Mortality rate | Indian assured lives mortality 2012-14 (Urban) | Indian assured lives mortality (2006-08) Ultimate |
| ii) | Withdrawal rate | 5% pa for all age groups | 5% pa for all age groups |
| iii) | Rate of discount | 6.41% | 6.33% |
| iv) | Expected rate of interest | 8.10% | 8.50% |
| v) | Retirement age | 60 years | 60 years |
| vi) | Guaranteed rate of interest | 8.10% | 8.50% |

### b) Defined contribution plans

**Provident and other funds**

Amount of ₹ 14.33 cr (March 31, 2021: ₹ 12.87 cr) {net of ₹ 0.06 cr (March 31, 2021: ₹ 0.17 cr) from the Pradhan Mantri Rojgar Protsahan Yojana} is recognised as expense and included in Note 25 'Contribution to provident and other funds'.

**Compensated absences**

Amount of ₹ 7.94 cr (March 31, 2021: ₹ 7.62 cr) is recognised as expense and included in Note 25 'Salaries, wages and bonus'.

c) The Parliament of India has approved the Code on Social Security, 2020 (the Code), which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment, Government of India, has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.

## Note 28.7 Fair value measurements

### Financial instruments by category

(₹ cr)

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments: | | | | | | |
| Equity instruments | - | 642.26 | - | - | 578.17 | - |
| Preference shares | - | - | 1.81 | - | - | 3.44 |
| Government securities | - | - | 0.01 | - | - | 0.01 |
| Bonds | 113.11 | - | - | 15.40 | - | - |
| Mutual funds | 539.54 | - | - | 717.81 | - | - |
| Trade receivables | - | - | 1,058.83 | - | - | 713.53 |
| Loans | - | - | 375.74 | - | - | 30.85 |
| Security deposits for utilities and premises | - | - | 2.18 | - | - | 1.80 |
| Dividends receivable | - | - | 0.93 | - | - | - |

## Note 28.7 Fair value measurements (continued)

(₹ cr)

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| Derivative financial assets designated as hedges (net) | - | 0.50 | - | - | 0.60 | - |
| Finance lease receivables | - | - | 12.63 | - | - | 5.86 |
| Cash and bank balances | - | - | 20.75 | - | - | 308.73 |
| Other receivables | - | - | 11.86 | - | - | 12.33 |
| **Total financial assets** | **652.65** | **642.76** | **1,484.74** | **733.21** | **578.77** | **1,076.55** |
| **Financial liabilities** | | | | | | |
| Trade payables | - | - | 619.95 | - | - | 562.68 |
| Security deposits | - | - | 31.09 | - | - | 30.29 |
| Employee benefits payable | - | - | 59.50 | - | - | 55.56 |
| Creditors for capital goods | - | - | 34.51 | - | - | 32.90 |
| Other liabilities (includes discount payables) | - | - | 7.37 | - | - | 6.93 |
| **Total financial liabilities** | **-** | **-** | **752.42** | **-** | **-** | **688.36** |

### a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are: a) recognised and measured at fair value, b) measured at amortised cost and for which fair values are disclosed in the Standalone Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

| i) | Financial assets and liabilities measured at fair value as at March 31, 2022 | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| | **Financial assets** | | | | | |
| | Financial investments measured at FVTOCI: | | | | | |
| | Quoted equity shares | 5.2 | 641.45 | - | - | 641.45 |
| | Unquoted equity shares[1] | 5.2 | - | - | 0.81 | 0.81 |
| | Financial investments measured at FVTPL: | | | | | |
| | Bond | 5.2 | 113.11 | - | - | 113.11 |
| | Mutual funds | 5.3 | - | 539.54 | - | 539.54 |
| | Derivatives designated as hedges: | | | | | |
| | Currency options | 7 | - | 0.50 | - | 0.50 |
| | **Total financial assets** | | **754.56** | **540.04** | **0.81** | **1,295.41** |

## Note 28.7 Fair value measurements (continued)

(₹ cr)

| ii) | Financial assets and liabilities measured at fair value as at March 31, 2021 | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| | **Financial assets** | | | | | |
| | Financial investments measured at FVTOCI: | | | | | |
| | Quoted equity shares | 5.2 | 577.36 | - | - | 577.36 |
| | Unquoted equity shares[1] | 5.2 | - | - | 0.81 | 0.81 |
| | Financial investments measured at FVTPL: | | | | | |
| | Bond | 5.2 | 15.40 | - | - | 15.40 |
| | Mutual funds | 5.2 | - | 717.81 | - | 717.81 |
| | Derivatives designated as hedges: | | | | | |
| | Currency options | 7 | - | 0.60 | - | 0.60 |
| | **Total financial assets** | | **592.76** | **718.41** | **0.81** | **1,311.98** |

[1]Includes investments in Bharuch Enviro Infrastructure Ltd (70,000 equity shares), Narmada Clean Tech Ltd (7,15,272 equity shares) and Bhadreshwar Vidyut Pvt Ltd (formerly known as OPGS Power Gujarat Pvt Ltd; 5,03,000 equity shares), which are for operation purpose and the Company has to hold it till the production site continues. The Company estimates that the fair value of these investments are not materially different as compared to its cost.

There were no transfers between any levels during the year.

**Level 1:** This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments,

ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Standalone Balance Sheet date,

iii) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model,

iv) the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in levels 1 and 2.

### c) Valuation processes

The Finance department of the Company includes a team that performs the valuations of financial assets and liabilities with assistance from independent external experts when required, for financial reporting purposes, including level 3 fair values.

## Note 28.7 Fair value measurements (continued)

### d) Fair value of financial assets and liabilities measured at amortised cost

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | Carrying amount \| Fair value | Carrying amount \| Fair value |
| **Non-current financial assets** | | |
| Investments: | | |
| Preference shares | 1.81 | 3.44 |
| Government securities | 0.01 | 0.01 |
| Loans | 375.74 | 30.85 |
| Security deposits for utilities and premises | 2.18 | 1.80 |
| Finance lease receivables | 12.63 | 5.86 |
| **Total non-current financial assets** | **392.37** | **41.96** |
| **Non-current financial liabilities** | | |
| Other liabilities | 2.73 | 2.53 |
| **Total non-current financial liabilities** | **2.73** | **2.53** |

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values for loans and investments in preference shares were calculated based on cash flows discounted using a prevailing lending rate at the time of inception.

## Note 28.8 Financial risk management

Risk management is an integral part of the business practices of the Company. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. With the help of a reputed international consultancy firm, the Company has developed and implemented a comprehensive risk management system to ensure that risks to the continued existence of the Company as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered. The risk management system is relevant to business reality, pragmatic and simple and involves the following:

i) Risk identification and definition: Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.

ii) Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.

iii) Risk assessment and prioritisation: Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.

iv) Risk mitigation: Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

v) Risk reporting and monitoring: Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

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## Note 28.8 Financial risk management (continued)

### a) Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, investment in mutual funds, borrowings and the cash flow that is generated from operations. It believes that the current cash and cash equivalents, tied up borrowing lines and cash flow that are generated from operations are sufficient to meet the requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Standalone Balance Sheet date:

(₹ cr)

| As at March 31, 2022 | Note | Carrying amount | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|---|
| Trade payables | 18 | 619.95 | 619.95 | - | 619.95 |
| Security and other deposits | 15 | 31.09 | 31.09 | - | 31.09 |
| Employee benefits payable | 15 | 59.50 | 59.50 | - | 59.50 |
| Creditors for capital goods | 15 | 34.51 | 34.51 | - | 34.51 |
| Other liabilities | 15 | 7.37 | 4.64 | 2.73 | 7.37 |
| **As at March 31, 2021** | **Note** | **Carrying amount** | **Less than 12 months** | **More than 12 months** | **Total** |
| Trade payables | 18 | 562.68 | 562.68 | - | 562.68 |
| Security and other deposits | 15 | 30.29 | 30.29 | - | 30.29 |
| Employee benefits payable | 15 | 55.56 | 55.56 | - | 55.56 |
| Creditors for capital goods | 15 | 32.90 | 32.90 | - | 32.90 |
| Other liabilities | 15 | 6.93 | 4.40 | 2.53 | 6.93 |
| Derivatives (settlement on net basis) | 15 | 1.62 | 1.62 | - | 1.62 |

### b) Management of market risk

The size and operations of the Company exposes it to the following market risks that arise from its use of financial instruments:

i) price risk

ii) foreign exchange risk

The above risks may affect income and expenses or the value of its financial instruments. Its objective for market risk is to maintain this risk within acceptable parameters while optimising returns. The exposure to these risks and the management of these risks are explained as follows:

## Note 28.8 Financial risk management (continued)

| Potential impact of risk | | Management policy | Sensitivity to risk |
|---|---|---|---|
| i) | **Price risk** | | |
| | The Company is mainly exposed to the price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments<br>Equity price risk is related to the change in market reference price of the investments in equity securities.<br>In general, equity securities are not held for trading purposes. These investments are subject to changes in the market purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through other comprehensive income as at March 31, 2022, is ₹ 641.11 cr (March 31, 2021: ₹ 577.36 cr). The fair value of mutual funds classified at fair value through profit and loss as at March 31, 2022, is ₹ 539.54 cr (March 31, 2021: ₹ 717.81 cr). | In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management Policy.<br>Any new investment or divestment must be approved by the Board, Chief Financial Officer and the Risk Management Committee. | As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows:<br>For equity instruments, a 9.14% increase in Nifty 50 prices may have led to approximately an additional ₹ 17.72 cr gain in other comprehensive income (2020-21: ₹ 42.50 cr). A 9.14% decrease in Nifty 50 prices may have led to an equal but opposite effect.<br>For mutual funds, a 1% increase in prices may have led to approximately an additional ₹ 5.4 cr gain in the Standalone Statement of Profit and Loss (2020-21: ₹ 7.18 cr). A 1% decrease in prices may have led to an equal but opposite effect. |
| ii) | **Foreign exchange risk** | | |
| | The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions. | The Company has exposure arising out of export, import and other transactions other than functional risks. It hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is as per the guidelines laid down in its Risk Management Policy. | As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Standalone Financial Statements, the Company has calculated the impact as follows:<br>For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date may have led to an additional ₹ 9.60 cr gain in other comprehensive income (2020-21: gain of ₹ 4.77 cr). A 2% decrease may have led to an additional ₹ 6.37 cr loss in other comprehensive income (2020-21: loss of ₹ 3.82 cr). |

### Foreign currency risk exposure

The exposure to foreign currency risk of the Company at the end of the reporting period expressed is as follows:

| Particulars | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | US$ mn | ₹ cr | € mn | ₹ cr | £ mn | ₹ cr |
| **Financial assets** | | | | | | |
| Cash and cash equivalents (EEFC account) | 2.06 | 15.60 | - | - | - | - |
| Trade receivables | 75.32 | 570.77 | 3.40 | 28.59 | 0.23 | 2.30 |
| Less: | - | - | - | - | - | - |
| Hedged through derivatives[1]: | - | - | - | - | - | - |
| Currency range options | 29.25 | 221.66 | - | - | - | - |
| **Net exposure to foreign currency risk (assets)** | **48.13** | **364.72** | **3.40** | **28.59** | **0.23** | **2.30** |

[1]Includes hedges for highly probable transactions up to next 12 months

## Note 28.8 Financial risk management (continued)

| Particulars | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | US$ mn | ₹ cr | € mn | ₹ cr | £ mn | ₹ cr |
| **Financial liabilities** | | | | | | |
| Trade payables (£ 4,216) | 14.75 | 111.78 | 0.07 | 0.60 | | 0.04 |
| **Net exposure to foreign currency risk (liabilities)** | **14.75** | **111.78** | **0.07** | **0.60** | **-** | **-** |

| Particulars | As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | US$ mn | ₹ cr | € mn | ₹ cr | £ mn | ₹ cr |
| **Financial assets** | | | | | | |
| Cash and cash equivalents (EEFC account) | 0.16 | 1.17 | - | - | - | - |
| Trade receivables | 46.70 | 341.43 | 2.65 | 22.72 | 0.15 | 1.51 |
| Dividends receivable | - | - | - | - | - | - |
| Less: | | | | | | |
| Hedged through derivatives[1]: | | | | | | |
| Currency range options | 7.70 | 56.29 | - | - | - | - |
| **Net exposure to foreign currency risk (assets)** | **39.16** | **286.32** | **2.65** | **22.72** | **0.15** | **1.51** |
| **Financial liabilities** | | | | | | |
| Trade payables | 14.06 | 102.79 | 0.11 | 0.94 | - | - |
| **Net exposure to foreign currency risk (liabilities)** | **14.06** | **102.79** | **0.11** | **0.94** | **-** | **-** |

[1]Includes hedges for highly probable transactions up to next 12 months

### c) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

**Trade receivables**

Concentrations of credit risk with respect to trade receivables are limited due to the customer base being large, diverse and across sectors and countries. A portion of trade receivables are secured by insurance policies or Export Credit Guarantee Corporation schemes. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence, the credit risk is perceived to be low.

### Reconciliation of loss allowance provision – trade receivables

(₹ cr)

| Particulars | Loss allowance on trade receivables |
|---|---|
| **Loss allowance as on March 31, 2020** | **10.07** |
| Changes in loss allowance | 1.78 |
| **Loss allowance as on March 31, 2021** | **11.85** |
| Changes in loss allowance | 0.37 |
| **Loss allowance as on March 31, 2022** | **12.22** |

## Note 28.8 Financial risk management (continued)

### Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, preference shares, mutual funds, bonds and loans to subsidiary companies. It has a diversified portfolio of investments that various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its treasury department.

### Impact of hedging activities

**a) Disclosure of effects of hedge accounting on financial position**

**As at March 31, 2022**

(₹ cr)

| Type of hedge and risks | Notional value | | Carrying amount of hedging instrument | | Maturity (months) | Weighted average strike price \| interest rate | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | | |
| **Cash flow hedge** | | | | | | | | |
| **₹ : US$** | | | | | | | | |
| **Foreign exchange risk** | | | | | | | | |
| Currency range options | 221.66 | - | 0.50 | - | 1-12 | 75.71-80.09 | 0.50 | (0.50) |

**As at March 31, 2021**

(₹ cr)

| Type of hedge and risks | Notional value | | Carrying amount of hedging instrument | | Maturity (months) | Weighted average strike price \| interest rate | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | | |
| **Cash flow hedge** | | | | | | | | |
| **₹ : US$** | | | | | | | | |
| **Foreign exchange risk** | | | | | | | | |
| Currency range options | 56.29 | - | 0.60 | - | 1-12 | 74.26-77.80 | 0.60 | (0.60) |

## Note 28.8 Financial risk management (continued)

### b) Disclosure of effects of hedge accounting on financial performance

**As at March 31, 2022**

(₹ cr)

| Type of hedge | Changes in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedging reserve to profit or loss | Financial Statement line item affected |
|---|---|---|---|---|
| **Cash flow hedge** | | | | |
| Foreign exchange risk | 0.50 | - | 0.60 | Trade receivables and payables |

**As at March 31, 2021**

(₹ cr)

| Type of hedge | Changes in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedging reserve to profit or loss | Financial Statement line item affected |
|---|---|---|---|---|
| **Cash flow hedge** | | | | |
| Foreign exchange risk | 0.60 | - | (1.62) | Trade Receivables and payables |

**Movements in cash flow hedging reserve**

(₹ cr)

| **Risk category** | **Foreign currency risk** | |
|---|---|---|
| **Derivative instruments** | **As at March 31, 2022** | **As at March 31, 2021** |
| **Balance at the beginning of the year** | **0.43** | **(1.64)** |
| Gain recognised in other comprehensive income during the year | 0.50 | 0.60 |
| Amount reclassified to revenue during the year | (0.60) | 1.62 |
| Tax impact on above | (0.13) | (0.15) |
| **Balance at the end of the year** | **0.20** | **0.43** |

## Note 28.9 Capital management

The primary objective of capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. It determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity and operating cash flows generated. The Company is not subject to any externally imposed capital requirements (refer Note 28.19 (b) for debt-equity ratio).

## Note 28.10 Segment information

In accordance with Ind AS 108, 'Operating Segments', segment information has been given in the Consolidated Financial Statements of Atul Ltd and therefore, no separate disclosure on segment information is given in the Standalone Financial Statements.

## Note 28.11 Earnings per share

Earnings per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

| Particulars | | 2021-22 | 2020-21 |
|---|---|---|---|
| Profit for the year attributable to the equity shareholders | ₹ cr | 607.53 | 630.89 |
| Weighted average number of equity shares used in calculating basic \| diluted EPS[1] | Number | 2,95,87,051 | 2,96,49,628 |
| Nominal value of equity share | ₹ | 10 | 10 |
| Basic and diluted EPS | ₹ | 205.34 | 212.78 |

[1]The Company completed its share buy-back on February 19, 2021, during the previous year.

## Note 28.12 Leases

### a) As a lessee

The Company has taken various residential and office premises under operating lease or leave and license agreements. These are cancellable by the Company, having a term between 11 months and 3 years and have no specific obligation for renewal. Payments are recognised in the Standalone Statement of Profit and Loss under 'Rent' in Note 27.

### b) As a lessor

#### i) Operating lease

The Company has entered into operating leases on its office buildings and land. These are cancellable by the Company, having a term between 11 months and three years and have no specific obligation for renewal. Rents received are recognised in the Standalone Statement of Profit and Loss as lease income in Note 22 'Other income'.

#### ii) Finance lease

The Company has given a building on finance lease for a term of 30 years and a machine for a term of 10 years.

Future minimum lease payments receivable under finance leases, together with the present value of the net minimum lease payments (MLP), are as under:

(₹ cr)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | MLP receivable | Present value of MLP receivable | MLP receivable | Present value of MLP receivable |
| Not later than 1 year | 1.82 | 1.73 | 0.92 | 0.88 |
| Later than 1 year and not later than 5 years | 7.68 | 5.90 | 3.28 | 2.50 |
| Later than 5 years | 9.46 | 5.00 | 5.07 | 2.48 |
| **Total MLP receivable** | **18.96** | **12.63** | **9.27** | **5.86** |
| Less: unearned finance income | 6.33 | - | 3.41 | - |
| **Present value of MLP receivable** | **12.63** | **12.63** | **5.86** | **5.86** |
| Less: allowance for uncollectible lease payments | - | - | - | - |
| | **12.63** | **12.63** | **5.86** | **5.86** |

## Note 28.13 Loans

Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 186 (4) of the Companies Act, 2013.

(₹ cr)

| | Particulars | Purpose | Amount outstanding as at | | Maximum balance during the year | |
|---|---|---|---|---|---|---|
| | | | March 31, 2022 | March 31, 2021 | 2021-22 | 2020-21 |
| i) | Subsidiary companies: | | | | | |
| | Atul Bioscience Ltd | Purchase of the manufacturing facility at Ambernath | 54.06 | 24.00 | 54.06 | 24.00 |
| | Atul Products Ltd | For working capital, operational and project expenditure requirement | 253.40 | - | 253.40 | - |
| ii) | Joint operation of subsidiary company: | | | | | |
| | Anaven LLP | For working capital, operational and project expenditure requirement | 68.28 | 6.85 | 93.85 | 6.85 |

Notes:

a) Loans given to employees as per the policy of the Company are not considered.

b) The loanees did not hold any shares in the share capital of the Company.

## Note 28.14 Disclosure requirement under MSMED Act, 2006

The Company has certain dues to suppliers (trade and capital) registered under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end | 44.85 | 23.41 |
| Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end (current year: ₹ 6,161.28 and previous year: ₹ 123) | | |
| Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year( previous year: ₹ 9,251) | 0.07 | |
| Interest paid, other than under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year | - | - |
| Interest paid, under Section 16 of the MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year (current year: ₹ 1,164 and previous year: ₹ 460) | | |
| Interest due and payable towards suppliers registered under MSMED Act, for payments already made | - | - |
| Further interest remaining due and payable for earlier years | - | - |

## Note 28.15 Expenditure on Corporate Social Responsibility initiatives

a) Gross amount required to be spent by the Company during the year is ₹ 14.86 cr (2020-21: ₹ 12.40 cr)

b) Amount spent during the year on:

(₹ cr)

| | Particulars | 2021-22 | | | 2020-21 | | |
|---|---|---|---|---|---|---|---|
| | | Paid | Payable | Total | Paid | Payable | Total |
| i) | Construction \| Acquisition of any asset | - | - | - | - | - | - |
| ii) | On purposes other than (i) above | 14.89 | - | 14.89 | 12.41 | - | 12.41 |

c) Details related to spent | unspent obligations:

| | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|
| 01. | Promotion of health | 2.16 | 0.12 |
| 02. | Promotion of health care and sanitation | 0.71 | 0.27 |
| 03. | Enhancement of vocational skills | 0.39 | 0.10 |
| 04. | Support to livelihood projects | 1.43 | 1.13 |
| 05. | Promotion of education | 2.22 | 1.07 |
| 06. | Empowerment of women | 0.11 | 0.05 |
| 07. | Conservation of natural resources \| Environment sustainability | 1.09 | 0.07 |
| 08. | Development of rural areas | 1.74 | 6.01 |
| 09. | Administrative overheads | 0.69 | 0.60 |
| 10. | Contribution to PM Cares Fund | - | 3.00 |
| 11. | Unspent amount in relation to: | | |
| | - Ongoing projects | 4.35 | - |
| | - Other than the ongoing projects | - | - |
| | | **14.89** | **12.41** |

d) Details of ongoing CSR projects under Section 135(6) of the Act

(₹ cr)

| Balance as at April 01, 2021 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at March 31, 2022 | |
|---|---|---|---|---|---|---|
| With the Company | In separate Unspent CSR Account | | From the bank account of the Company | From separate Unspent CSR Account | With the Company | In separate Unspent CSR Account |
| - | - | 4.85 | 0.50 | - | - | 4.35 |

(₹ cr)

| Balance as at April 01, 2020 | | Amount required to be spent during the year | Amount spent during the year | | Balance as at March 31, 2021 | |
|---|---|---|---|---|---|---|
| With the Company | In separate Unspent CSR Account | | From the bank account of the Company | From separate Unspent CSR Account | With the Company | In separate Unspent CSR Account |
| - | - | - | - | - | - | - |

e) Excess CSR expenditure under Section 135(5) of the Act

(₹ cr)

| Balance as at April 01, 2021 | Amount required to be spent during the year | Amount spent during the year | Balance as at March 31, 2022 |
|---|---|---|---|
| 0.03 | 14.86 | 14.89 | 0.06 |

(₹ cr)

| Balance as at April 01, 2020 | Amount required to be spent during the year | Amount spent during the year | Balance as at March 31, 2021 |
|---|---|---|---|
| 0.02 | 12.40 | 12.41 | 0.03 |

f) Refer Note 28.4 (G) for details of contribution to a trust controlled by the Company in relation to expenditure on Corporate Social Responsibility initiatives

## Note 28.16 Offsetting financial assets and liabilities

The Company has not offset any financial asset and financial liability. It offsets a financial asset and a financial liability when it currently has a legal enforceable right to set-off the recognised amounts and it intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**a) Master netting arrangements – not currently enforceable**

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Standalone Balance Sheet.

**b) Collateral against borrowings**

The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit (refer Note 17(c) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

## Note 28.17 Dividend on equity shares

Dividend on equity shares declared and paid during the year:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Final dividend of ₹ 20.00 per share for the year 2020-21 (2019-20: ₹ nil) | 59.17 | - |
| | 59.17 | - |

## Note 28.18 Buy-back of shares

In accordance with the provisions contained in the SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, the Board in its meeting held on March 25, 2022 (2020-21: January 29, 2021) has approved a proposal to buy-back fully paid-up equity shares of face value of ₹ 10 each of the Company, at a price not exceeding ₹ 11,000 (2020-21: ₹ 7,250) per equity share (maximum buy-back price) and for an amount not exceeding ₹ 70 cr (2020-21: ₹ 50 cr) (maximum buy-back size) from the open market through stock exchange mechanism.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Date of Board meeting approving the buy-back | March 25, 2022 | January 29, 2021 |
| Date of public announcement | March 29, 2022 | February 01, 2021 |
| Buy-back opening dates | April 07, 2022 | February 10, 2021 |
| Number of share bought back | * | 74,682 |
| Face value of shares bought back | ₹ 10 | ₹ 10 |
| Maximum buy-back price approved by the Board of Directors | ₹ 11,000 | ₹ 7,250 |
| Transferred to capital redemption reserve | - | ₹ 0.07 cr |
| Consideration paid towards buy-back | * | ₹ 49.88 cr |

* Buy-back process to be completed in Q1 2022-23.

## Note 28.19 Ratios

| No. | Ratio | UoM | Formula (refer below table for numerator and denominator details) | As at March 31, 2022 | As at March 31, 2021 | Variance % | Reason for variance |
|---|---|---|---|---|---|---|---|
| 01. | Current ratio | Times | A ÷ B | 2.32 | 2.18 | 6.59% | Below threshold of 25% |
| 02. | Debt-equity ratio | Times | I ÷ H | 0.02 | - | - | Below threshold of 25% |
| 03. | Debt service coverage ratio | Times | Q ÷ (J + M) | 9.98 | 382.28 | (97.39%) | Negligible interest cost, Company is effectively operating at zero debt. |
| 04. | Return on equity ratio | % | P ÷ average of H | 15% | 19% | (18.65%) | Below threshold of 25% |
| 05. | Inventory turnover ratio | Times | L ÷ average of D | 8.14 | 7.38 | 10.27% | Below threshold of 25% |
| 06. | Trade receivables turnover ratio | Times | L ÷ average of E | 5.56 | 4.83 | 15.11% | Below threshold of 25% |
| 07. | Trade payables turnover ratio | Times | (R+S) ÷ average of G | 6.94 | 4.74 | 46.31% | All the key raw materials are on advance \| immediate payment terms and increased energy cost which is with zero credit. |
| 08. | Net capital turnover ratio | Times | L ÷ average of C | 4.92 | 4.56 | 7.79% | Below threshold of 25% |
| 09. | Net profit ratio | % | P ÷ L | 12.33% | 18.23% | (32.39%) | Higher input and freight costs have reduced margins during current year. |
| 10. | Return on Capital Employed | % | (M + O) ÷ average of K | 23.57% | 29.56% | (20.25%) | Below threshold of 25% |
| 11. | Return on Investment | % | (M + O) ÷ average of F | 16.24% | 19.67% | (17.44%) | Below threshold of 25% |

| No. | Base values | UoM | Reference | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|
| A | Current assets | ₹ cr | Balance Sheet (current assets) - current investments | 1,952.27 | 1,650.45 |
| B | Current liabilities | ₹ cr | Balance Sheet (current liabilities) | 840.62 | 757.47 |
| C | Working capital | ₹ cr | A-B | 1,111.65 | 892.98 |
| D | Inventories | ₹ cr | Balance Sheet (refer Note 9) | 701.03 | 510.57 |
| E | Trade receivables | ₹ cr | Balance Sheet (refer Note 10) | 1,058.83 | 713.53 |
| F | Total assets | ₹ cr | Balance Sheet (total assets) | 5,350.63 | 4,587.45 |
| G | Trade payables | ₹ cr | Balance Sheet (refer Note 18 + 15 d) | 654.46 | 595.58 |
| H | Equity | ₹ cr | Balance Sheet (refer Note 13+14) | 4,316.39 | 3,711.35 |
| I | Debt | ₹ cr | Balance Sheet (refer Note 17) | 72.94 | - |
| J | Principal repayments | ₹ cr | Balance Sheet (refer Note 17) | 72.94 | - |
| K | Capital employed | ₹ cr | H + I + deferred tax liability (refer Notes 28.5) - capital work-in-progress (refer Notes 2) - revaluation reserve on investment (change in equity part B) | 3,752.00 | 3,095.30 |
| L | Net sales | ₹ cr | Statement of Profit and Loss (refer Note 21, sales of products and services only) | 4,928.53 | 3,460.40 |
| M | Finance cost | ₹ cr | Statement of Profit and Loss (refer Note 26) | 2.94 | 1.97 |
| N | Depreciation | ₹ cr | Statement of Profit and Loss (refer Note 2, 4) | 146.48 | 120.23 |
| O | Profit before tax | ₹ cr | Statement of Profit and Loss | 803.97 | 827.75 |
| P | Profit after tax | ₹ cr | Statement of Profit and Loss | 607.53 | 630.89 |
| Q | Net operating income | ₹ cr | M + N + P | 756.95 | 753.09 |
| R | Total operating purchase | ₹ cr | Purchase of raw materials and stock- in- trade (refer Note 23) + other expenses (refer Note 27) | 4,024.53 | 2,516.38 |
| S | Capital purchase | ₹ cr | Addition in capital work-in-progress (refer Note 2) | 313.55 | 108.26 |

## Note 28.20 Utilisation of loans, advances and equity investment in entities

**a) Invested in intermediary entities**

| No. | Name of intermediary entities | Address | CIN | Relationship with the Company | Nature of fund | Date of funding | Amount |
|---|---|---|---|---|---|---|---|
| 1. | Atul Finserv Ltd | Mumbai | U51900MH1947PLC005453 | Subsidiary company | Equity investment | May 17, 2021 | 5.00 |
| 2. | Atul Finserv Ltd | Mumbai | U51900MH1947PLC005453 | Subsidiary company | Equity investment | December 14, 2021 | 5.02 |

**b) Invested by intermediary entities in ultimate beneficiary entities**

| No. | Name of ultimate beneficiary entities | Address | CIN | Relationship with the Company | Nature of fund | Date of funding | Amount |
|---|---|---|---|---|---|---|---|
| 1. | Atul Fin Resource Ltd | Atul | U65990GJ2016PLC093639 | Subsidiary company | Equity investment | May 17, 2021 | 5.00 |
| 2. | Atul Fin Resource Ltd | Atul | U65990GJ2016PLC093639 | Subsidiary company | Equity investment | December 14, 2021 | 5.02 |

## Note 28.21 Relationship with struck off companies

| No. | Name of struck off company | Nature of transactions with struck off company | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Balance | Relationship | Balance | Relationship |
| 01. | Om Industries | Receivable | 0.10 | Customer | 0.10 | Customer |
| 02. | Ozma Rubbers | Receivable | 0.07 | Customer | 0.07 | Customer |
| 03. | Renuka Enterprises | Receivable | 0.02 | Customer | 0.02 | Customer |
| 04. | Omm Traders | Receivable | 0.01 | Customer | 0.01 | Customer |
| 05. | Shivani Enterprises | Receivable | 0.01 | Customer | 0.01 | Customer |
| 06. | Sawariya Trading Company | Receivable | 0.01 | Customer | 0.01 | Customer |
| 07. | C K Marketing | Receivable | * | Customer | * | Customer |
| 08. | Varman Seed Company | Receivable | * | Customer | * | Customer |
| 09. | Azad Pesticides & Fertilizers | Receivable | * | Customer | * | Customer |
| 10. | Satya Sai Traders | Receivable | * | Customer | * | Customer |
| 11 | Pms Trading Co | Receivable | * | Customer | * | Customer |
| 12. | Arora Seed Store | Receivable | * | Customer | * | Customer |
| 13. | Sri Palani Andavar Stores | Receivable | * | Customer | * | Customer |
| 14. | Bhavani Agro Agencies | Receivable | * | Customer | * | Customer |
| 15. | Sri Siddhi Krishi Paramarsh Kendra | Receivable | * | Customer | * | Customer |
| 16. | Jai Kisan Traders Fertilizers Pesticides And Seeds | Receivable | * | Customer | * | Customer |
| 17. | Vishnu Agencies Anantapur | Receivable | * | Customer | * | Customer |
| 18. | Swami Pesticides | Receivable | * | Customer | * | Customer |
| 19. | Reliance Cement Company Pvt Ltd | Receivable | * | Customer | * | Customer |
| 20. | Parag Agro Sales | Receivable | * | Customer | * | Customer |
| 21. | Shri Vinayaka Agro Kendra | Receivable | * | Customer | * | Customer |
| 22. | Raheja Pesticides | Receivable | * | Customer | * | Customer |
| 23. | G H Trading Co | Receivable | * | Customer | * | Customer |
| 24. | Bhagwati Enterprises | Receivable | * | Customer | * | Customer |
| 25. | Kamboj Chemicals | Receivable | * | Customer | * | Customer |
| 26. | Kushwaha Bio Tech | Receivable | * | Customer | * | Customer |
| 27. | Rainbow Agencies | Receivable | * | Customer | * | Customer |
| 28. | Kang Agro Centre | Receivable | * | Customer | * | Customer |
| 29. | Aashirwad Traders | Receivable | * | Customer | * | Customer |
| 30. | Ankush Trading Company | Receivable | * | Customer | * | Customer |
| | | | **0.22** | | **0.22** | |

*Figures less than ₹ 50,000.

## Note 28.22 Other statutory information

a) The Company has not entered into any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

b) The Company has complied with the number of layers prescribed under clause (87) of Section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

c) The Company is not declared wilful defaulter by any bank or financial institution or other lenders.

d) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

e) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.

f) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made there under.

g) No loans or advances in the nature of loans are granted to promoters, Directors, Key Managerial Personnel and the related parties (as defined under the Companies Act, 2013) either severally or jointly with any other person.

## Note 28.23 Events after the reporting period

An incident of fire occurred on April 20, 2022, in one of the plants at Atul, Gujarat. Damage was restricted to that plant, and there was no injury or casualty of any individual. The Company is in the process of assessing the impact of this fire on the plant and related operations and filing necessary insurance claims. This subsequent non-adjusting event does not impact these financial results.

## Note 28.24 Rounding off

Figures less than ₹ 50,000 have been shown at actual in brackets.

## Note 28.25 Authorisation for issue of the Standalone Financial Statements

The Standalone Financial Statements were authorised for issue by the Board on April 26, 2022.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

Mumbai
April 26, 2022

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

L P Patni
**Company Secretary**

B N Mohanan
(DIN:00198716)
**Whole-time Director and President - U&S**

R A Shah
(DIN:00009851)

B S Mehta
(DIN:00035019)

S M Datta
(DIN:00032812)

V S Rangan
(DIN:00030248)

M M Chitale
(DIN:00101004)

S A Panse
(DIN:02599310)

B R Arora
(DIN:00194168)
**Directors**

S S Lalbhai
(DIN:00045590)
**Chairman and Managing Director**

S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

# Independent Auditor's Report

**To the members of Atul Ltd**

## Report on the audit of the Consolidated Financial Statements

### Opinion

01. We have audited the accompanying Consolidated Financial Statements of Atul Ltd (the Company or the Parent) and its subsidiary companies, (the Parent and its subsidiary companies together referred to as the Group) which includes the share of profit of the Group in its joint venture company, which comprise the Consolidated Balance Sheet as at March 31, 2022, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information, and which includes a joint operation (which is an entity) of the Group accounted on proportionate basis.

02. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other Auditors on separate Financial Statements of the subsidiary companies referred to in the other matters section, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

### Basis for opinion

03. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's responsibility for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group, its joint venture company and joint operation in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in para 14 in the other matters section, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

### Key audit matter

04. Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the Consolidated Financial Statements of the current period. This matter was addressed in the context of our audit of the Consolidated Financial Statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on this matter. We have determined the matter described as follows to be the key audit matter to be communicated in our report.

| Key audit matters | Auditor's response |
|---|---|
| **Allowance for credit losses**<br><br>The Group determines the allowance for credit losses on trade receivables based on historical loss experience adjusted to reflect current and estimated future economic conditions of its customers, their industry and geography of operations.<br><br>In calculating expected credit loss, the Group also considers the insurance covers and other securities, besides other related information for its customers, including credit reports, to estimate the probability of default in future and has taken into account estimates of possible effect from the COVID-19 pandemic. The Management has exercised significant judgement in estimating the allowance for credit losses.<br><br>Refer Note 11 and 29.8(c) to the Consolidated Financial Statements. | Principle procedures included but were not limited to:<br><br>Testing the effectiveness of controls over the:<br><br>- classification of customers by the businesses and computing the net exposure as at the reporting date<br>- development of the expected credit model for the allowance for credit losses, including consideration of the current and estimated future economic conditions<br>- completeness and accuracy of information used in the estimation of probability of default and<br>- computation of the allowance for credit losses.<br><br>Testing the arithmetical accuracy and computation of the allowances prepared by the Management.<br><br>Testing the allowance for credit loss through alternate scenarios, including profiling of customers based on their attributes with various sensitivities around approach, the assumptions and factoring the possible effect of the pandemic, to independently validate the Management estimates. |

## Information other than the Financial Statements and Auditor's Report thereon

05. The Board of Directors of the Parent is responsible for the other information. The other information comprises the information included in the letter to shareholders, operational highlights, financial charts, Directors' Report and its annexure, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility and Sustainability Report, Dividend Distribution Policy and performance trend, but does not include the Standalone Financial Statements, the Consolidated Financial Statements and our Auditor's Reports thereon.

06. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

07. In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements of the subsidiary companies audited by the other Auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other Auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their Financial Statements audited by other Auditors.

08. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's responsibility for the Consolidated Financial Statements

09. The Board of Directors of the Parent is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance, including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group, including its joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the respective entities and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgements and estimates that are reasonable and prudent, and the design, implementation and maintenance of adequate internal financial controls, which were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the respective Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

10. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its joint venture company are

responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

11. The respective Board of Directors of the companies included in the Group and of its joint venture company are also responsible for overseeing the financial reporting process of the respective entities.

## Auditor's responsibility for the audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

13. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

    a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its joint venture company to cease to continue as a going concern.

    e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    f) Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its joint venture company to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Other matters

14. We did not audit the Financial Statements | financial information of 34 subsidiary companies, whose Financial Statements | financial information reflect total assets of ₹ 702.31 cr as at March 31, 2022, total revenues of ₹ 785.72 cr, total net profit after tax of ₹ 48.53 cr, total other comprehensive income of ₹ 48.87 cr and net cash inflows amounting to ₹ 3.02 cr for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements | financial information have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of other Auditors.

    Some of these subsidiary companies are located outside India whose Financial Statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other Auditors under generally accepted auditing standards applicable in their respective countries. The Management of the Company has converted the Financial Statements | financial and other information of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management of the Company. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India is based on the reports of other Auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

15. We did not audit the Financial Statements | financial information of five subsidiary companies, whose financial information reflects total assets of ₹ 73.34 cr as at March 31, 2022, total revenue of ₹ 148 cr, total net profit after tax of ₹ 2.55 cr, total other comprehensive income of ₹ 2.54 cr and net cash inflows of ₹ 0.60 inflow amounting to ₹ 6.56 crore for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements | financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, is based solely on such unaudited Financial Statements | financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these Financial Statements | financial information are not material to the Group.

16. Our opinion on the Consolidated Financial Statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other Auditors and the Financial Statements | financial information certified by the Management.

## Report on other legal and regulatory requirements

17. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other Auditors on separate Financial Statements | financial information of the subsidiary companies, referred in the other matters section, we report to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other Auditors.

    c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

    d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

    e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2022, taken on record by the Board of Directors of the Parent and the reports of the Statutory Auditors of its subsidiary companies and a joint venture company incorporated in India, none of the Directors of the Group companies and a joint venture company incorporated in India is disqualified as on March 31, 2022, from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in Annexure A, which is based on the Auditor's Reports of the Parent, subsidiary companies and a joint venture company incorporated in India to whom internal financial controls over financial reporting is applicable. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

   Reporting on the adequacy of internal financial controls over financial reporting and the operating effectiveness of such controls under Section 143(3)(i) of the Act is not applicable to the joint operation of the Group as it is a limited liability partnership.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture company.

   ii. The Group and its joint venture company did not have any material foreseeable losses on long-term contracts, including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and a joint venture company incorporated in India.

   iv. (a) The respective Managements of the Company and its subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other Auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company or any of such subsidiary companies to or in any other person or entity, including foreign entities (Intermediaries), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company or any of such subsidiary companies (ultimate beneficiaries) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

   (b) The respective Managements of the Company and its subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, have represented to us and to the other Auditors of such subsidiary companies respectively that, to the best of their knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company or any of such subsidiary companies from any person or entity, including foreign entities (funding parties), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiary companies shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiary) or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

   (c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances performed by us and those performed by the Auditors of the subsidiary companies, which are incorporated in India, whose Financial Statements have been audited under the Act, nothing has come to our or other Auditor's notice that has caused us or the other Auditors to believe that the representations under Sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.

(b) The Board of Directors of the Company have proposed final dividend for the year, which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed, declared is in accordance with Section 123 of the Act, as applicable.

18. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's Report, according to the information and explanations given to us, and based on the CARO report issued by the Auditors of the subsidiary companies and a joint venture company included in the Consolidated Financial Statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component Auditors and provided to us, we report that the Auditors of such companies have not reported any qualifications or adverse remarks in their CARO report, except for the one given below:

| No. | Name of entity | CIN | Relationship with Parent entity | Clause number of the CARO report which is qualified or adverse |
|---|---|---|---|---|
| 1. | Atul Finserv Ltd | U51900MH1947PLC005453 | Wholly owned subsidiary | Clause (iii)(c) |

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W|W-100018

Ketan Vora
**Partner**
Membership Number: 100459
UDIN: 22100459AIAQLX4183

Mumbai
April 26, 2022

# Annexure A to the Independent Auditor's Report

Referred to in paragraph (f) under 'Report on other legal and regulatory requirements' section of our report of even date.

### Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

01. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Atul Ltd (the Parent), its subsidiary companies and a joint venture company, which are companies incorporated in India, as of that date.

### Management's responsibility for internal financial controls

02. The respective Board of Directors of the Parent, its subsidiary companies and a joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor's responsibility

03. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and whether such controls operated effectively in all material respects.

04. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the judgement of the Auditor, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

05. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the other matters paragraph, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint venture company, which are companies incorporated in India.

### Meaning of internal financial controls over financial reporting

06. The internal financial controls over financial reporting of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with the Generally Accepted Accounting Principles. The internal financial controls over financial reporting of the Company include those policies and procedures that i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; ii) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of Financial Statements in accordance with the Generally Accepted Accounting Principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management and Directors of the Company and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company that could have a material effect on the Financial Statements.

### Inherent limitations of internal financial controls over financial reporting

07. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud

may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

08. In our opinion, to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other Auditors referred to in the other matters paragraph, the Parent, its subsidiary companies and a joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

## Other matters

09. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, 30 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the Auditors of such companies.

    Our opinion is not modified in respect of the above matters.

**For Deloitte Haskins & Sells LLP**
Chartered Accountants
Firm registration number: 117366W|W-100018

Ketan Vora
**Partner**
Membership Number: 100459
UDIN: 22100459AIAQLX4183

Mumbai
April 26, 2022

# Consolidated Balance Sheet
## as at March 31, 2022

(₹ cr)

| | | | Particulars | Note | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|---|---|
| A | ASSETS | | | | | |
| | 1 | Non-current assets | | | | |
| | | a) | Property, plant and equipment | 2 | 1,575.95 | 1,356.56 |
| | | b) | Capital work-in-progress | 2 | 420.47 | 249.70 |
| | | c) | Investment properties | 3 | 3.22 | 3.22 |
| | | d) | Goodwill | 4 | 29.14 | 29.14 |
| | | e) | Other intangible assets | 4 | 8.19 | 12.84 |
| | | f) | Biological assets other than bearer plants | 5 | 17.69 | 16.62 |
| | | g) | Investments accounted for using the equity method | 6.1 | 28.11 | 24.32 |
| | | h) | Financial assets | | | |
| | | | i) Investments | 6.2 | 760.51 | 596.43 |
| | | | ii) Loans | 7 | 3.61 | 3.72 |
| | | | iii) Other financial assets | 8 | 8.95 | 5.71 |
| | | i) | Income tax assets (net) | 29.5 | 9.58 | 14.54 |
| | | j) | Deferred tax assets (net) | 29.5 | 16.47 | 2.21 |
| | | k) | Other non-current assets | 9 | 135.53 | 58.14 |
| | | **Total non-current assets** | | | **3,017.42** | **2,373.15** |
| | 2 | Current assets | | | | |
| | | a) | Inventories | 10 | 864.12 | 594.14 |
| | | b) | Biological assets | 5 | 19.90 | 13.40 |
| | | c) | Financial assets | | | |
| | | | i) Current investment | 6.3 | 550.08 | 740.30 |
| | | | ii) Trade receivables | 11 | 989.01 | 733.23 |
| | | | iii) Cash and cash equivalents | 12 | 57.69 | 46.91 |
| | | | iv) Bank balances other than cash and cash equivalents mentioned above | 13 | 11.23 | 301.27 |
| | | | v) Loans | 7 | - | 0.13 |
| | | | vi) Other financial assets | 8 | 16.28 | 15.11 |
| | | d) | Other current assets | 9 | 180.59 | 119.56 |
| | | e) | Assets held for sales | | 0.03 | - |
| | | **Total current assets** | | | **2,688.93** | **2,564.05** |
| | | **Total assets** | | | **5,706.35** | **4,937.20** |
| B | | EQUITY AND LIABILITIES | | | | |
| | | **Equity** | | | | |
| | | a) | Equity share capital | 14 | 29.61 | 29.61 |
| | | b) | Other equity | 15 | 4,399.35 | 3,796.91 |
| | | **Equity attributable to owners of Atul Ltd** | | | **4,428.96** | **3,826.52** |
| | | Non-controlling interests | | | 30.88 | 30.63 |
| | | **Total equity** | | | **4,459.84** | **3,857.15** |
| | | **Liabilities** | | | | |
| | 1 | **Non-current liabilities** | | | | |
| | | a) | Financial liabilities | | | |
| | | | i) Borrowings | 16 | 61.05 | 98.21 |
| | | | ii) Other financial liabilities | 17 | 3.86 | 3.66 |
| | | | iii) Lease liabilities | 29.12 | 5.79 | 6.26 |
| | | b) | Provisions | 18 | 29.20 | 25.30 |
| | | c) | Deferred tax liabilities (net) | 29.5 | 143.60 | 135.09 |
| | | d) | Other non-current liabilities | 19 | 4.46 | 5.41 |
| | | **Total non-current liabilities** | | | **247.96** | **273.93** |
| | 2 | **Current liabilities** | | | | |
| | | a) | Financial liabilities | | | |
| | | | i) Borrowings | 16 | 77.33 | 28.46 |
| | | | ii) Trade payables | 20 | | |
| | | | Total outstanding dues of | | | |
| | | | a) Micro-enterprises and small enterprises | | 44.67 | 23.54 |
| | | | b) Creditors other than micro-enterprises and small enterprises | | 590.06 | 539.59 |
| | | | iii) Other financial liabilities | 17 | 181.18 | 135.46 |
| | | b) | Contract liabilities | 21 | 33.82 | 24.43 |
| | | c) | Other current liabilities | 19 | 12.97 | 10.29 |
| | | d) | Provisions | 18 | 46.80 | 37.76 |
| | | e) | Current tax liabilities (net) | 29.5 | 11.72 | 6.59 |
| | | **Total current liabilities** | | | **998.55** | **806.12** |
| | | **Total liabilities** | | | **1,246.51** | **1,080.05** |
| | | **Total equity and liabilities** | | | **5,706.35** | **4,937.20** |

**The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

L P Patni
**Company Secretary**

B N Mohanan
(DIN:00198716)
**Whole-time Director and President - U&S**

R A Shah
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M M Chitale
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S A Panse
(DIN:02599310)

B R Arora
(DIN:00194168)
**Directors**

S S Lalbhai
(DIN:00045590)
**Chairman and Managing Director**

S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

Mumbai
April 26, 2022

# Consolidated Statement of Profit and Loss

## for the year ended March 31, 2022

(₹ cr)

| Particulars | Note | 2021-22 | 2020-21 |
|---|---|---|---|
| INCOME | | | |
| Revenue from operations | 22 | 5,080.89 | 3,731.47 |
| Other income | 23 | 76.00 | 102.98 |
| **Total income** | | **5,156.89** | **3,834.45** |
| EXPENSES | | | |
| Cost of materials consumed | 24 | 2,600.05 | 1,602.17 |
| Purchases of stock-in-trade | | 195.91 | 153.45 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 25 | (207.33) | (60.42) |
| Employee benefit expenses | 26 | 342.54 | 310.36 |
| Finance costs | 27 | 9.17 | 9.35 |
| Depreciation and amortisation expenses | 2, 4 | 176.69 | 136.32 |
| Other expenses | 28 | 1,238.28 | 808.79 |
| **Total expenses** | | **4,355.31** | **2,960.02** |
| **Profit before share of net profit of investments accounted for using equity method and tax** | | **801.58** | **874.43** |
| Share of net profit of joint venture company accounted for using the equity method | | 8.16 | 7.25 |
| **Profit before tax** | | **809.74** | **881.68** |
| **Tax expense** | | | |
| Current tax | 29.5 | 213.51 | 207.09 |
| Deferred tax | 29.5 | (8.51) | 14.57 |
| **Total tax expense** | | **205.00** | **221.66** |
| **Profit for the year** | | **604.74** | **660.02** |
| **Other comprehensive income** | | | |
| a) Items that will not be reclassified to profit \| loss | | | |
| i) Change in fair value of equity instruments through other comprehensive income (FVTOCI) | | 65.29 | 80.98 |
| ii) Remeasurement gain \| (loss) on defined benefit plans | | (7.26) | (1.34) |
| iii) Income tax related to items above | | (0.82) | (9.34) |
| iv) Share of other comprehensive income of joint venture company accounted for using the equity method (net of tax) | | | |
| b) Items that will be reclassified to profit \| loss | | | |
| i) Effective portion of gain \| (loss) on cash flow hedges | | 0.50 | 0.60 |
| ii) Exchange differences on translation of foreign operations | | 0.51 | 5.75 |
| iii) Income tax related to items above | | (0.17) | (0.61) |
| **Other comprehensive income, net of tax** | | **58.05** | **76.04** |
| **Total comprehensive income for the year** | | **662.79** | **736.06** |
| **Profit is attributable to:** | | | |
| Owners of the Company | | 604.26 | 655.76 |
| Non-controlling interests | | 0.48 | 4.26 |
| | | **604.74** | **660.02** |
| **Other comprehensive income is attributable to:** | | | |
| Owners of the Company | | 58.05 | 76.04 |
| Non-controlling interests | | - | - |
| | | **58.05** | **76.04** |
| **Total comprehensive income is attributable to:** | | | |
| Owners of the Company | | 662.31 | 731.80 |
| Non-controlling interests | | 0.48 | 4.26 |
| | | **662.79** | **736.06** |
| **Earnings per equity share attributable to owners of the Company** | | | |
| Basic and diluted earnings ₹ per equity share of ₹ 10 each | 29.11 | 204.23 | 221.17 |

**The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

Mumbai
April 26, 2022

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

L P Patni
**Company Secretary**

B N Mohanan
(DIN:00198716)
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B R Arora
(DIN:00194168)
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S S Lalbhai
(DIN:00045590)
**Chairman and Managing Director**

S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

# Consolidated Statement of changes in equity

**for the year ended March 31, 2022**

## A Equity share capital

(₹ cr)

| Particulars | Note | Amount |
|---|---|---|
| **As at March 31, 2020** | | **29.68** |
| Changes in equity share capital during the year, pursuant to buy-back (refer Note 29.14) | | (0.07) |
| **As at March 31, 2021** | | **29.61** |
| Changes in equity share capital during the year | | - |
| **As at March 31, 2022** | 14 | **29.61** |

## B Other equity

(₹ cr)

| Particulars | Attributable to owners of the Company | | | | | | | | | Non-controlling interest | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Reserves and surplus | | | | | Items of other comprehensive income | | | Total other equity | | |
| | Securities premium | General reserve | Retained earnings | Statutory reserve | Capital redemption reserve | FVTOCI equity instruments | Effective portion of cash flow hedges | Foreign currency translation reserve | | | |
| **As at March 31, 2020** | **34.66** | **97.69** | **2,576.56** | **-** | **-** | **398.18** | **(1.64)** | **19.77** | **3,125.22** | **26.37** | **3,151.59** |
| Profit for the year | - | - | 655.76 | - | - | - | - | - | 655.76 | 4.26 | 660.02 |
| Other comprehensive income, net of tax | - | - | (1.00) | - | - | 71.30 | 0.45 | 5.29 | 76.04 | - | 76.04 |
| **Total comprehensive income for the year** | **-** | **-** | **654.76** | **-** | **-** | **71.30** | **0.45** | **5.29** | **731.80** | **4.26** | **736.06** |
| Transfer to retained earnings on disposal of FVTOCI equity instruments | - | - | (0.02) | - | - | 0.02 | - | - | - | - | - |
| Transfer to general reserves | - | 0.44 | (0.44) | - | - | - | - | - | - | - | - |
| Transfer to reserve fund under the Reserve Bank of India Act, 1934 | - | - | (0.06) | 0.06 | - | - | - | - | - | - | - |
| Hedging (gain) \| loss reclassified to the Statement of Profit and Loss | - | - | - | - | - | - | 1.62 | - | 1.62 | | 1.62 |
| Buy-back of equity shares (refer Note 29.14) | (34.66) | (27.07) | - | - | - | - | - | - | (61.73) | - | (61.73) |
| Transferred to capital redemption reserve upon buy-back (refer Note 29.14) | - | (0.07) | - | - | 0.07 | - | - | - | - | - | - |
| Dividend on equity shares, including dividend distribution tax | - | - | - | - | - | - | - | - | - | | - |
| Transactions with non-controlling interests | - | - | - | - | - | - | - | - | - | - | - |
| **As at March 31, 2021** | **-** | **70.99** | **3,230.80** | **0.06** | **0.07** | **469.50** | **0.43** | **25.06** | **3,796.91** | **30.63** | **3,827.54** |
| Profit for the year | - | - | 604.26 | - | - | - | - | - | 604.26 | 0.48 | 604.74 |
| Other comprehensive income, net of tax | - | - | (5.44) | - | - | 62.65 | 0.37 | 0.47 | 58.05 | - | 58.05 |
| **Total comprehensive income for the year** | **-** | **-** | **598.82** | **-** | **-** | **62.65** | **0.37** | **0.47** | **662.31** | **0.48** | **662.79** |
| Transfer to retained earnings on disposal of FVTOCI equity instruments | - | - | (22.80) | - | - | 22.80 | - | - | - | - | - |
| Transfer to general reserves | - | 0.25 | (0.25) | - | - | - | - | - | - | - | - |
| Transfer to reserve fund under the Reserve Bank of India Act, 1934 | - | - | (0.12) | 0.12 | - | - | - | - | - | - | - |
| Hedging (gain) \| loss reclassified to the Statement of Profit and Loss | - | - | - | - | - | - | (0.60) | - | (0.60) | - | (0.60) |
| Buy-back of equity shares | - | - | - | - | - | - | - | - | - | - | - |
| Transferred to capital redemption reserve upon buy-back | - | - | - | - | - | - | - | - | - | - | - |
| Dividend on equity shares, including dividend distribution tax | - | - | (59.17) | - | - | - | - | - | (59.17) | - | (59.17) |
| Transactions with non-controlling interests | - | - | (0.10) | - | - | - | - | - | (0.10) | (0.23) | (0.33) |
| **As at March 31, 2022** | **-** | **71.24** | **3,747.18** | **0.18** | **0.07** | **554.95** | **0.20** | **25.53** | **4,399.35** | **30.88** | **4,430.23** |

Refer Note 15 for nature and purpose of reserves

**The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

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(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

Mumbai
April 26, 2022

# Consolidated Statement of Cash Flows

**for the year ended March 31, 2022**

(₹ cr)

| | Particulars | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| A | CASH FLOW FROM OPERATING ACTIVITIES | | | |
| | Profit before tax | | 809.74 | 881.68 |
| | Adjustments for: | | | |
| | Depreciation and amortisation expenses | | 176.69 | 136.32 |
| | Finance costs | | 9.16 | 9.35 |
| | Loss \| (gain) on disposal of property, plant and equipment (net) | | 2.43 | 0.09 |
| | Unrealised exchange rate difference (net) | | (2.76) | 13.32 |
| | Effect of exchange rates on translation of operating cash-flows | | (3.91) | 4.41 |
| | Bad debts and irrecoverable balances written off \| (written back) | | (1.30) | 0.62 |
| | Allowance for doubtful debts made \| (written back) | | 0.57 | 1.85 |
| | Dividend income | | (4.17) | (57.04) |
| | Interest income from financial assets measured at amortised cost | | (11.70) | (12.99) |
| | Changes in fair value of biological assets | | (2.10) | (0.31) |
| | Liability no longer required written back | | (1.61) | (0.15) |
| | Gain on disposal of current investments measured at FVTPL (net) | | (24.25) | (24.15) |
| | Income on account of government grants | | (0.95) | (0.97) |
| | Share of profit on joint venture company | | (8.16) | (7.25) |
| | **Operating profit before change in operating assets and liabilities** | | **937.68** | **944.78** |
| | Adjustments for: | | | |
| | (Increase) \| Decrease in inventories \| biological assets | | (275.44) | (92.57) |
| | (Increase) \| Decrease in non-current and current assets | | (326.14) | (19.43) |
| | Increase \| (Decrease) in non-current and current liabilities | | 97.01 | 87.49 |
| | **Cash generated from operations** | | **433.11** | **920.27** |
| | Income tax paid (net of refund) | | (201.66) | (202.32) |
| | **Net cash flow from operating activities** | A | **231.45** | **717.95** |
| B | CASH FLOW FROM INVESTING ACTIVITIES | | | |
| | Payments towards property, plant and equipment (including capital advance) | | (590.90) | (322.51) |
| | Proceeds from disposal of property, plant and equipment | | 0.38 | 0.97 |
| | Proceeds from sale of equity investment measured at FVTOCI | | 3.83 | 0.11 |
| | Purchase of equity investment measured at FVTOCI | | (4.89) | (32.65) |
| | Investment in bonds measured at FVTPL | | (90.55) | (15.59) |
| | Repayments of loans given | | 0.15 | 0.12 |
| | Disbursements of loans | | (2.79) | (5.95) |
| | Redemption of \| (Investment in) bank deposits (net) | | 290.01 | (292.59) |
| | Redemption \| (Purchase) of current investments measured at FVTPL (net) | | 215.23 | (49.20) |
| | Interest received on financial assets measured at amortised cost | | 3.33 | 12.80 |
| | Dividend received | | 8.55 | 58.10 |
| | **Net cash used in investing activities** | B | **(167.65)** | **(646.39)** |

# Consolidated Statement of Cash Flows

**for the year ended March 31, 2022**

(₹ cr)

| | Particulars | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| C | CASH FLOW FROM FINANCING ACTIVITIES | | | |
| | Disbursements \| (Repayments) of term loans \| non-current borrowings | | (62.01) | 25.08 |
| | Disbursements \| (Repayments) of working capital loans \| current borrowings | | 73.72 | (6.88) |
| | Transaction with non-controlling interests | | (0.32) | - |
| | Interest paid | | (9.87) | (8.65) |
| | Dividend on equity shares (including dividend distribution tax) | | (58.96) | - |
| | Buy-back of equity shares (including transaction cost) | | - | (61.74) |
| | **Net cash used in financing activities** | **C** | **(57.44)** | **(52.19)** |
| | **Net increase \| (decrease) in cash and cash equivalents** | **A+B+C** | **6.36** | **19.37** |
| | **Cash and cash equivalents at the beginning of the year** | | 46.91 | 26.19 |
| | **Net effect of exchange gain \| (loss) on cash and cash equivalents held in foreign currencies** | | 4.42 | 1.35 |
| | **Cash and cash equivalents at the end of the year** | | 57.69 | 46.91 |

i) The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on the Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015 as amended.

ii) Cash flows from operating activities net off ₹ 15.27 cr (March 31, 2021: ₹ 12.86 cr) being expenditure towards Corporate Social Responsibility initiatives.

iii) Refer Note 16 (f) for a reconciliation of changes in liabilities arising from financing activities.

**The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements.**

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

Mumbai
April 26, 2022

For and on behalf of the Board of Directors

T R Gopi Kannan
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S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

# Notes to the Consolidated Financial Statements

## Background

Atul Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India and the principal places of manufacturing are located at Atul and Ankleshwar, Gujarat, India.

The Company and its subsidiary companies are referred to as the Group hereunder. The Group is in the business of Life Science Chemicals and Performance and Other Chemicals and caters to the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy across the world.

## Note 1 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Group in preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented unless otherwise stated. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiary companies.

### a) Statement of compliance

The Consolidated Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

### b) Basis of preparation

i) Historical cost convention:

The Consolidated Financial Statements have been prepared on a historical cost basis except for the following:

a) Certain financial assets and liabilities (including derivative instruments): measured at fair value

b) Defined benefit plans: plan assets measured at fair value

c) Biological assets: measured at fair value less cost to sell

ii) The Consolidated Financial Statements have been prepared on accrual and going concern basis.

iii) Accounting policies are applied consistently to all the periods presented in the Consolidated Financial Statements. All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Group and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

iv) New and amended in the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 adopted by the Group:

The Group has applied the following amendments to Schudule III to the Companies Act, 2013 and the Companies (CSR Policy) Amendment Rules, 2021 for its annual reporting period commencing April 01, 2021:

a) The Ministry of Corporate Affairs (MCA) has amended Schedule III of the Companies Act 2013, on March 24, 2021. Schedule III of the Companies Act 2013, provides the format of financial statements of companies complying with Accounting Standards (AS) and Ind AS under its Division I and Division II, respectively.

b) The MCA has notified provisions relating to CSR vide the Companies (Amendment) Act, 2019, Companies (Amendment) Act, 2020, and the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, which is effective from January 22, 2021.

v) Recent accounting pronouncements:

The MCA notifies new standards or amendment to the existing standards under the Companies (Indian Accounting

Standards) Rules as issued from time to time. On March 23, 2022, the MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022 as below.

Ind AS 16 - Property, Plant and Equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the Consolidated Statment of Profit and Loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022. The Group has evaluated the amendment and there is no impact on its Consolidated Financial Statements.

Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the cost of fulfilling a contract comprises the costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples may be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example may be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 01, 2022, although early adoption is permitted. The Group has evaluated the amendments and the impact is not expected to be material.

## c) Basis of Consolidation

i) Subsidiary companies

Subsidiary companies are all the entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. The Group reassesses whether or not it controls an investee, if facts and circumstances indicate that there are one or more changes to elements of control described above.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the Parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between the Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting Policies of subsidiary companies have been changed where necessary, to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively.

ii) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

iii) Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest in a joint venture company and a joint operation.

Joint venture company

Interest in joint venture company is accounted for using the equity method {see (iv) below}.

Joint operation

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operation and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statements under the appropriate headings.

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit | loss and other comprehensive income of the entity. Dividends received or receivable from the associate companies and joint venture company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (m) below.

v) Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss where appropriate.

## d) Foreign currency transactions

i) Functional and presentation currency:

Items included in the Financial Statements of each entity of the Group are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Consolidated Financial Statements are presented in Indian Rupee (₹), which is also the functional currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidtaed Statement of Profit and Loss except that they are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other income.

Non-monetary items that are measured at fair value that are denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss). Non-monetary items that are measured in terms of historical cost in a foreign currency are not revalued.

iii) Group companies:

The results and financial position of foreign operations of the Group (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet

b) income and expenses are translated at average exchange rates

c) all resulting exchange differences are recognised in other comprehensive income

When a foreign operation is disposed, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gain | (loss) on sale. Goodwill and fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

## e) Revenue recognition

i) Revenue from operations:

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services including those embedded in contract for sale of goods, namely, freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of Goods are accepted by the Group only on an exception basis. Revenue excludes any taxes or duties collected on behalf of government that are levied on sales such as goods and services tax.

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

ii) Other income:

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

## f) Income tax

Income tax expense comprises current tax and deferred tax. Current tax is the tax payable on the taxable income of the current period based on the applicable income tax rates. Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Consolidated Statement of Profit and Loss. The credit available under the Act in respect of MAT paid will be recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. Such asset is reviewed at each Consolidated Balance Sheet date.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

The Group considers reversals of deferred income tax liabilities, projected future taxable income and tax planning strategies in making the assessment of deferred tax liabilities and realisability of deferred tax assets. Based on the level of historical taxable income and projections for future taxable income over the periods in which the deferred income tax assets are deductible, the Management believes that the Group will realise the benefits of those deductible differences.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

The Group determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty. The Group applies significant judgement in identifying uncertainties over income tax treatments. The Group assesses whether the Appendix has an impact on its Consolidated Financial Statements.

Upon adoption of Appendix C to Ind AS 12, the Group considered whether it has any uncertain tax positions based on past experience pertaining to income taxes including those related to transfer pricing. The Group has determined its tax position based on tax compliance and present judicial pronouncements and accordingly expects that its tax treatments will be accepted by the taxation authorities.

### g) Government grants

a) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

b) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

c) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

d) Government grants relating to export incentives - refer Note 1 (e).

## h) Leases

**As a lessee**

The Group assesses whether a contract is, or contains a lease, at inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset, (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease or (iii) the Group has the right to direct the use of the asset.

At the commencement date of the lease, the Group recognises a right-of-use asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for short-term leases (leases with a term of twelve months or less), leases of low value assets and, for contract where the lessee and lessor has the right to terminate a lease without permission from the other party with no more than an insignificant penalty. The lease expense of such short-term leases, low value assets leases and cancellable leases, are recognised as an operating expense on a straight-line basis over the term of the lease.

At the commencement date, lease liability is measured at the present value of the lease payments to be paid during non-cancellable period of the contract, discounted using the incremental borrowing rate. The right-of-use assets is initially recognised at the amount of the initial measurement of the corresponding lease liability, lease payments made at or before commencement date less any lease incentives received and any initial direct costs.

Subsequently, the right-of-use asset is measured at cost less accumulated depreciation and any impairment losses. Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest rate method) and reducing the carrying amount to reflect the lease payments made. The right-of-use asset and lease liability are also adjusted to reflect any lease modifications or revised in-substance fixed lease payments.

**As a lessor**

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease substantially transfer all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with the expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Balance Sheet based on their nature. Leases of property, plant and equipment where the Group as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually.

## i) Business combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

i) fair values of the assets transferred,

ii) liabilities incurred to the former owners of the acquired business,

iii) equity interest issued by the Group and

iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- sum of consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as capital reserve. Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

## j) Property, plant and equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

Fruits bearing plants qualify as Bearer plants under Ind AS 16. Expenditure incurred on cultivation of plantations up to the date they become capable of bearing fruit are accumulated under Bearer plants under development (Immature) and then capitalised as a Bearer plant (Mature) to be depreciated over their estimated useful life.

The plantations destroyed due to calamity, disease or any other reasons whether capitalised as Bearer plant (Mature) or being carried under Bearer plant under development (Immature) are charged off to Consolidated Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment that are not ready for intended use as on the date of Consolidated Balance Sheet are disclosed as 'capital work-in-progress'.

**Depreciation methods, estimated useful lives and residual value:**

The charge in respect of periodic depreciation is derived after determining an estimate of expected useful life and the expected residual value at the end of its life of the assets. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their lives.

Depreciation is calculated on a pro-rata basis on the straight-line method from the date of acquisition | installation till the date the assets are sold or disposed of:

| Asset category | Estimated useful life |
|---|---|
| Buildings | 30 to 60 years |
| Roads | 5 years |
| Plant and equipment[1] | 6 to 20 years |
| Office equipment and furniture | 5 to 10 years |
| Vehicles[1] | 6 to 10 years |
| Bearer plants[1] | 40 years |

[1]The useful lives have been determined based on technical evaluation done by the Management | experts, which are different from the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual value, useful life and method of depreciation of property, plant and equipment are reviewed annually and adjusted prospectively, if appropriate.

The property, plant and equipment, including land acquired under finance leases are depreciated over the useful life of the asset or over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other income.

## k) Goodwill

Goodwill represents the cost of the acquired businesses | subsidiary in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised, but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill of the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes.

## l) Other Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

**Amortisation methods, estimated useful lives and residual value**

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually and adjusted prospectively, if appropriate.

The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives of the intangible assets are as follows:

| Asset category | Estimated useful life |
|---|---|
| Computer software | 3 years |
| Non-compete fees | 5 years |

## m) Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

## n) Impairment

The carrying amount of assets are reviewed at each Consolidated Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that the carrying amount of the asset does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

## o) Cash and cash equivalents

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

## p) Trade receivables

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss. Trade receivable overdue for more than 180 days are considered as receivable with significant increase in credit risk.

## q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

## r) Inventories

Inventories (other than harvested product of biological assets) are stated at cost or net realisable value, whichever is lower. Cost is determined on periodic moving weighted average basis.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

Due allowances are made for slow | non-moving, defective and obsolete inventories based on estimates made by the Group.

Items such as spare parts, stand-by equipment and servicing equipment that are not plant and machinery get classified as inventory.

The harvested product of biological assets of the Group is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

## s) Investments and other financial assets

**Classification and measurement**

The Group classifies its financial assets in the following measurement categories:

i) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

ii) those measured at amortised cost

The classification depends on business model of the Group for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

**Debt instruments**

Initial recognition and measurement:

Financial asset is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in case the financial asset is not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

Subsequent measurement:

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVTOCI):

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to other income in the Consolidated Statement of Profit and Loss.

Measured at fair value through profit or loss (FVTPL):

A financial asset not classified as either amortised cost or FVTOCI, is classified as FVTPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Consolidated Statement of Profit and Loss.

**Equity instruments**

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income and there is no subsequent reclassification of these fair value gains and losses to the Consolidated Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Consolidated Statement of Profit and Loss as other income when the right to receive payment is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVTOCI are not reported separately from other changes in fair value.

**Impairment of financial assets**

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVTOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables. The Group computes expected lifetime losses based on a provision matrix, which takes into account historical credit loss experience and adjusted for forward-looking information.

**Derecognition**

A financial asset is derecognised only when the Group has transferred the rights to receive cash flows from the financial asset, the asset expires or the Group retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through Consolidated

Statement of Profit and Loss or other comprehensive income as applicable. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

## t) Financial liabilities

i) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value.

iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Consolidated Statement of Profit and Loss.

iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or it expires.

## u) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

## v) Derivatives and hedging activities

The Group holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates on foreign currency exposures or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss:

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated, but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets | Liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Consolidated Balance Sheet date.

ii) Cash flow hedge:

The Group designates certain foreign exchange forward and options contracts as cash flows hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions. When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flows hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flows hedging reserve till the period the hedge was effective remains in cash flows hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flows hedging reserve is transferred to the Consolidated Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flows hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

## w) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Consolidated Statement of Profit and Loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. If not, the fee is deferred until the draw down occurs.

Borrowings are removed from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other income | (expense).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

## x) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, constrution or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

## y) Biological assets

The biological assets of the Group comprises oil palms, date palms and tissue culture.

The Group classifies the tissue culture as Mature and Immature plants. Mature biological assets are those which are available for sale in next 12 months or that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). The plants that are not mature are considered as Immature plants.

Mature and Immature tissue culture plants, which are ready for sale in less than 12 months from the reporting date are classified as current assets under separate head of biological assets other than bearer plants and others under non-current assets.

The Bearer plants are recognised and measured as per Ind AS 16 (refer Note 5). The oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets other than bearer plants until the point of harvest. Harvested oil palm FFBs are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of oil palm FFB on trees are recognised in the Consolidated Statement of Profit and Loss. Farming cost like labour and other costs are recognised in the Consolidated Statement of Profit and Loss.

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income taxes.

Tissue culture raised (matured plants) are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Consolidated Statement of Profit and Loss. Immature tissue culture plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the Immature plants at different stages and the fair value measurements are clearly unreliable.

## z) Provisions and contingent liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**aa) Employee benefits**

(i) Defined benefit plan

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Consolidated Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a trust administered by the Group, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Consolidated Statement of Profit and Loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate at the beginning of the period to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Consolidated Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Consolidated Statement of changes in equity and in the Consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident fund:

Provident fund for certain eligible employees is managed by the Group through the Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust in line with the Employees' Provident Funds and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund authorities. The contributions by the employer and employees together with the interest accumulated thereon are payable to employees at the time of their retirement or separation from the Group, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the fair value of assets over the defined benefit obligation is recognised as a liability, with a corresponding charge to the Consolidated Statement of Profit and Loss.

(ii) Defined contribution plan

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees state insurance scheme, national pension scheme and labour welfare fund are charged as an expense to the Consolidated Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as Defined Contribution Schemes as the Group has no further defined obligations beyond the monthly contributions.

(iii) Short-term employee benefits

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits, etc are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees.

(iv) Other long-term employee benefits

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

**ab) Research and development expenditure**

Expenditure on research is recognised as an expense when it is incurred. Expenditure on development which does not meet the criteria for recognition as an intangible asset is recognised as an expense when it is incurred. Items of property, plant and equipment and acquired intangible assets utilised for research and development are capitalised and depreciated in accordance with the policies stated for property, plant and equipment and intangible assets.

**ac) Earnings per share**

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to the owners of Atul Ltd by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted EPS, the net profit for the period attributable to the owners of Atul Ltd and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**ad) Ordinary shares**

Ordinary shares are classified as equity share capital. Incremental costs directly attributable to the issuance of new ordinary shares, share options and buy-back are recognised as a deduction from equity, net of any tax effects.

**Estimation of uncertainties relating to the COVID-19 pandemic**

The Group has considered possible effects that may result from the COVID-19 pandemic and Russia-Ukraine war in preparation of these Consolidated Financial Statements, and used relevant internal and external sources of information and expects that these events will not have any material implications on the operations of the Group in the near future.

**Critical estimates and judgements**

Preparation of the Consolidated Financial Statements require the use of accounting estimates, judgements and assumptions, which by definition, will seldom equal the actual results. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the Consolidated Financial Statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the Consolidated Financial Statements. This Note provides an overview of the areas that involve a higher degree of judgement or complexity and of items that are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Consolidated Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation for income tax: Note 1 (f)

ii) Estimation of useful life of tangible assets: Note 1 (j)

iii) Estimated goodwill impairment: Note 1 (k)

iv) Estimation of provision for inventories: Note 1 (r)

v) Allowance for credit losses on trade receivable: Note 1 (p)

vi) Estimation of claims | liabilities: Note 1 (z)

vii) Estimation of defined benefit obligation: Note 1 (aa)

viii) Consolidation decisions and classification of joint arrangements: Note 1 (b) and Note 29.15

ix) Impairment: Note 1 (n)

## Note 2 Property, plant and equipment and capital work-in-progress

(₹ cr)

| Particulars | Land - freehold[1] | Right-of-use leasehold land[2] | Buildings[1,3,7] | Plant and equipment | Vehicles | Office equipment and furniture | Roads | Bearer plants | Total | Capital work-in-progress[4] |
|---|---|---|---|---|---|---|---|---|---|---|
| **Gross carrying amount** | | | | | | | | | | |
| **As at March 31, 2020** | **45.58** | **41.79** | **277.22** | **1,131.98** | **10.43** | **23.00** | **13.50** | **6.08** | **1,549.58** | **368.14** |
| Additions | 15.66 | - | 36.32 | 373.04 | 2.97 | 2.73 | 1.58 | - | 432.30 | 311.65 |
| Disposal, transfer and adjustments | - | - | - | (34.61) | (2.71) | (0.18) | - | - | (37.50) | (430.09) |
| **As at March 31, 2021** | **61.24** | **41.79** | **313.54** | **1,470.41** | **10.69** | **25.55** | **15.08** | **6.08** | **1,944.38** | **249.70** |
| Additions | 22.83 | - | 28.28 | 345.72 | 2.49 | 3.25 | 0.91 | 0.41 | 403.89 | 566.98 |
| Disposal, transfer and adjustments | - | - | (6.94) | (36.67) | (2.08) | (12.22) | - | (0.08) | (57.99) | (396.21) |
| **As at March 31, 2022** | **84.07** | **41.79** | **334.88** | **1,779.46** | **11.10** | **16.58** | **15.99** | **6.41** | **2,290.28** | **420.47** |
| **Depreciation \| Amortisation** | | | | | | | | | | |
| **Up to March 31, 2020** | **-** | **0.91** | **38.61** | **425.12** | **2.29** | **11.67** | **8.89** | **0.57** | **488.06** | **-** |
| For the year | - | 0.41 | 11.09 | 113.19 | 2.24 | 2.48 | 2.34 | 0.15 | 131.90 | - |
| Disposal, transfer and adjustments | - | - | (0.43) | (29.06) | (2.30) | (0.35) | - | - | (32.14) | - |
| **Up to March 31, 2021** | **-** | **1.32** | **49.27** | **509.25** | **2.23** | **13.80** | **11.23** | **0.72** | **587.82** | **-** |
| For the year | - | 0.41 | 12.26 | 152.71 | 2.28 | 2.60 | 1.61 | 0.16 | 172.03 | - |
| Disposal, transfer and adjustments | - | - | (0.73) | (31.31) | (1.71) | (11.77) | - | - | (45.52) | - |
| **Up to March 31, 2022** | **-** | **1.73** | **60.80** | **630.65** | **2.80** | **4.63** | **12.84** | **0.88** | **714.33** | **-** |
| **Net carrying amount** | | | | | | | | | | |
| As at March 31, 2021 | 61.24 | 40.47 | 264.27 | 961.16 | 8.46 | 11.75 | 3.85 | 5.36 | 1,356.56 | 249.70 |
| **As at March 31, 2022** | **84.07** | **40.06** | **274.08** | **1,148.81** | **8.30** | **11.95** | **3.15** | **5.53** | **1,575.95** | **420.47** |

**Notes:**

[1]Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Group has created first charge over its certain land and buildings having carrying value of ₹ 9.27 cr (March 31, 2021: ₹ 9.66 cr) in favour of the Government of Gujarat and paid security deposit ₹ 2 cr (March 31, 2021: ₹ 2 cr).

[2]The Group has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the prevailing rent. The Group has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land.

[3]Includes premises on ownership basis ₹ 1.10 cr (March 31, 2021: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (March 31, 2021: ₹ 2,000).

[4]Capital work-in-progress mainly comprises addition | expansion projects in progress.

[5]Refer Note 16 for information on property, plant and equipment hypothecated | mortgaged as security by the Group.

[6]Refer Note 29.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

[7]Refer Note 29.12 for disclosure of right-of-use assets under lease.

## Capital-work-in progress ageing

(₹ cr)

| Particulars | As at March 31, 2022 | | | | | As at March 31, 2021 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Projects in progress | 392.64 | 23.37 | 4.03 | 0.43 | 420.47 | 74.97 | 32.50 | 136.82 | 5.41 | 249.70 |
| Projects temporarily suspended | - | - | - | - | - | - | - | - | - | - |

## Capital work-in progress (projects in progress) whose completion is overdue

(₹ cr)

| Particulars | As at March 31, 2022 | | | | As at March 31, 2021 | | | |
|---|---|---|---|---|---|---|---|---|
| | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Less than 1 year | 1-2 years | 2-3 years | More than 3 years |
| Project 1 | 13.00 | - | - | - | - | - | - | - |
| Project 2 | 10.00 | - | - | - | - | - | - | - |
| Project 3 | 4.00 | - | - | - | - | - | - | - |
| Project 4 | 4.00 | - | - | - | - | - | - | - |
| Project 5 | 3.00 | - | - | - | - | - | - | - |
| Project 6 | - | 32.00 | - | - | 3.00 | - | - | - |
| Project 7 | - | 1.00 | - | - | - | - | - | - |
| Project 8 | - | - | 13.00 | - | 24.00 | - | - | - |
| Project 9 | - | - | 3.00 | - | - | 32.00 | - | - |
| | **34.00** | **33.00** | **16.00** | **-** | **27.00** | **32.00** | **-** | **-** |

(₹ cr)

| Note 3 Investment properties | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Land - freehold** | | |
| Gross carrying amount | 3.22 | 3.22 |
| **Net carrying amount** | **3.22** | **3.22** |

a) Amount recognised in the Consolidated Statement of Profit and Loss for investment properties

The Group has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Consolidated Statement of Profit and Loss, since the Group does not receive any rental income, incur any depreciation or other operating expenses.

b) The Group does not have any contractual obligations to purchase, construct or develop for maintenance or enhancements of investment properties.

c) Fair value:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Investment properties | 86.37 | 82.82 |
| | **86.37** | **82.82** |

### Estimation of fair value

The Group obtains valuations from independent valuer for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All resulting fair value estimates for investment properties are included in level 3.

(₹ cr)

| Note 4 Intangible assets and goodwill | Computer software | Non-compete fees | Total | Goodwill |
|---|---|---|---|---|
| **Gross carrying amount** | | | | |
| **As at March 31, 2020** | **1.34** | **20.00** | **21.34** | **29.14** |
| Additions | 1.01 | - | 1.01 | - |
| **As at March 31, 2021** | **2.35** | **20.00** | **22.35** | **29.14** |
| Additions | 0.01 | - | 0.01 | - |
| **As at March 31,2022** | **2.36** | **20.00** | **22.36** | **29.14** |
| **Amortisation** | | | | |
| **Up to March 31, 2020** | **0.42** | **4.67** | **5.09** | **-** |
| Amortisation charged for the year | 0.42 | 4.00 | 4.42 | - |
| **Up to March 31, 2021** | **0.84** | **8.67** | **9.51** | **-** |
| Amortisation charged for the year | 0.66 | 4.00 | 4.66 | - |
| **Up to March 31, 2022** | **1.50** | **12.67** | **14.17** | **-** |
| **Net carrying amount** | | | | |
| As at March 31, 2021 | 1.51 | 11.33 | 12.84 | 29.14 |
| **As at March 31, 2022** | **0.86** | **7.33** | **8.19** | **29.14** |

### Significant estimate - Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit (CGU), representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the operating segment of the Group. The impairment loss of the CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the CGU pro-rata on the basis of the carrying amount of such asset in the CGU. An impairment loss on goodwill is recognised in the Consolidated Statement of Profit and Loss. It is not reversed in the subsequent period.

The goodwill of ₹ 20.58 cr pertains to the control acquisition of Amal Ltd. The recoverable amount of the cash generating unit has been determined based on the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal has been determined based on closing quoted share price of Amal Ltd in an active market as on March 31, 2022.

The goodwill of ₹ 8.56 cr pertains to the Ambernath manufacturing facility, Active Pharma Ingredients business of Polydrug Laboratories Pvt Ltd, which was acquired by a subsidiary company during the previous year. The recoverable amount of this Ambernath manufacturing facility is determined based on value in use, which is derived by using five years cash flow projections with following key assumptions:

| Particulars | Assumptions |
|---|---|
| Annual growth rate | Based on the estimated market share |
| Terminal growth rate | 1% |
| Weighted average cost of capital % (WACC) before tax | 14.2% |
| Expected gross margins | Based on prior experience |

Cash flow projections are based on the expected market share, gross margins and prior experience.

The Management believes that any reasonably possible change in the key assumptions may not cause the carrying amount to exceed the recoverable amount of the cash generating units. Accordingly, there was no impairment recorded during the year.

## Note 5 Biological assets

a) Biological assets of the Group comprise:

i) Immature tissue culture raised date palms that are classified as non-current biological assets. The Group has a production cycle of about four-five years.

ii) Mature tissue culture raised date palms that are classified as current biological assets.

b) Reconciliation of changes to the carrying value of biological assets between the beginning and the end of the current year are as follows:

(₹ cr)

| Particulars | Tissue culture raised date palms | | | |
|---|---|---|---|---|
| | March 31, 2022 | | March 31, 2021 | |
| | Mature | Immature | Mature | Immature |
| **Opening balance** | **13.40** | **16.62** | **13.15** | **14.75** |
| Increase due to production | 0.13 | 20.07 | 0.31 | 17.01 |
| Change due to biological transformation | 15.99 | (16.33) | 15.51 | (14.32) |
| Decrease due to sale | (12.18) | - | (15.11) | - |
| Decrease due to write-off | - | (2.67) | (0.79) | (0.82) |
| Change in fair value due to price changes | 2.56 | - | 0.33 | - |
| **Closing balance** | **19.90** | **17.69** | **13.40** | **16.62** |
| Current assets | 19.90 | - | 13.40 | - |
| Non-current assets* | | 17.69 | - | 16.62 |
| **Biological assets shown in Balance Sheet** | **19.90** | **17.69** | **13.40** | **16.62** |

*Non-current biological asset is expected to take more than 12 months from reporting date to become ready for dispatch.

As at March 31, 2022, the Group had 3,896 mature plants (March 31, 2021: 3,742) and 2,16,290 immature plants (March 31, 2021: 1,77,311).

During the current year, the Group has sold 1,92,522 plants (March 31, 2021: 1,64,669).

(₹ cr)

| Note 6.1 Investments accounted for using the equity method | Place of business | % of ownership interest | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Investment in equity instruments (fully paid-up)** | | | | |
| **Unquoted investment in joint venture company:** | | | | |
| Rudolf Atul Chemicals Ltd | India | 50% | 24.32 | 18.53 |
| Add: Group share of profit for the year | | | 8.17 | 7.25 |
| Less: Dividend received | | | (4.38) | (1.46) |
| **Total equity accounted investments** | | | **28.11** | **24.32** |

(₹ cr)

| | Note 6.2 Other investments | Face value[1] | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Number of shares | Amount | Number of shares | Amount |
| a) | **Investment in equity instruments (fully paid up)** | | | | | |
| | **Equity instruments measured at FVTOCI** | | | | | |
| | **Quoted** | | | | | |
| | Aarti Industries Ltd | 5 | 1,000 | 0.10 | - | - |
| | Andhra Papers Ltd | 10 | 5,000 | 0.14 | - | - |
| | Apollo Sindoori Hotels Ltd | 5 | 2,000 | 0.17 | - | - |
| | Arvind Fashions Ltd | 4 | 13,87,918 | 45.31 | 13,87,918 | 19.33 |
| | Arvind Ltd | 10 | 41,27,471 | 47.65 | 41,27,471 | 27.18 |
| | Arvind SmartSpaces Ltd | 10 | 4,12,747 | 8.46 | 4,12,747 | 4.00 |
| | Aurobindo Pharma Ltd | 1 | 500 | 0.03 | 500 | 0.05 |
| | Avenue Supermarket Ltd | 10 | 50 | 0.02 | 50 | 0.01 |
| | Axis Bank Ltd | 10 | 7,509 | 0.57 | 2,464 | 0.17 |
| | Bajaj Finance Ltd | 10 | 312 | 0.23 | 312 | 0.16 |
| | BAYER Cropscience Ltd | 10 | 12 | 0.01 | 12 | 0.01 |
| | BASF India Ltd | 10 | 2,61,396 | 80.85 | 2,61,396 | 54.10 |
| | Camlin Fine Sciences Ltd | 10 | 1,500 | 0.02 | 1,500 | 0.02 |
| | Central Depository Services India Ltd | 10 | 4,507 | 0.67 | 4,654 | 0.31 |
| | Cummins India Ltd | 2 | 191 | 0.02 | 191 | 0.02 |
| | HDFC Bank Ltd | 10 | 2,073 | 0.30 | 2,036 | 0.30 |
| | Housing Development Finance Corporation Ltd | 10 | 2,500 | 0.60 | 150 | 0.04 |
| | ICICI Bank Ltd | 2 | 1,09,026 | 7.96 | 1,09,026 | 6.35 |
| | ICRA Ltd | 10 | 421 | 0.18 | 421 | 0.14 |
| | IDFC First Bank Ltd | 10 | 35,729 | 0.18 | 15,729 | 0.09 |
| | Indian Oil Corporation Ltd | 10 | 12,500 | 0.15 | - | - |
| | Kotak Mahindra Bank Ltd | 10 | 1,269 | 0.22 | 1,261 | 0.22 |
| | Majesco Ltd | 5 | - | - | 2,50,000 | 1.65 |
| | Nesco Ltd | 2 | 2,000 | 0.11 | - | - |
| | NOCIL Ltd | 10 | 2,001 | 0.05 | 2,001 | 0.04 |
| | Novartis India Ltd | 5 | 3,84,660 | 22.72 | 3,84,660 | 21.22 |
| | Pfizer Ltd | 10 | 9,58,927 | 416.96 | 9,58,927 | 433.90 |
| | Prabhat Dairy Ltd | 10 | - | - | 2,500 | 0.02 |
| | Praj Industries Ltd | 10 | 1,000 | 0.04 | 1,000 | 0.02 |
| | Tata Motors Ltd | 2 | 3,500 | 0.15 | 3,500 | 0.11 |
| | The Anup Engineering Ltd | 10 | 1,52,869 | 12.14 | 1,52,869 | 8.72 |
| | VA Tech Wabag Ltd | 2 | 1,500 | 0.04 | 1,500 | 0.04 |
| | VST Industries Ltd | 10 | - | - | 313 | 0.11 |
| | Wonderla Holidays Ltd | 10 | 1,000 | 0.10 | - | - |

(₹ cr)

| Note 6.2 Other investments | | Face value[1] | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Number of shares | Amount | Number of shares | Amount |
| | **Unquoted** | | | | | |
| | Bhadreshwar Vidyut Pvt Ltd (formerly known as OPGS Power Gujarat Pvt Ltd) | 0.19 | 7,95,000 | 0.02 | 7,95,000 | 0.02 |
| | Bharuch Enviro Infrasturcture Ltd | 10 | 91,000 | 0.09 | 91,000 | 0.09 |
| | Gujarat Synthwood Ltd[2] | 10 | - | - | 7,00,800 | - |
| | Narmada Clean Tech Ltd | 10 | 7,15,272 | 1.12 | 7,15,272 | 1.12 |
| **b)** | **Investment in equity instruments (partly paid-up)** | | | | | |
| | **Other companies measured at FVTOCI** | | | | | |
| | **Quoted** | | | | | |
| | Arvind Fashions Ltd[3] | 4 | - | - | 2,08,187 | 1.46 |
| **c)** | **Investments in government or trust securities measured at amortised cost** | | | | | |
| | 6 Years National Savings Certificates (deposited with government departments) | | | 0.01 | | 0.01 |
| **d)** | **Investment in bonds measured at FVTPL (quoted)** | | | 113.12 | | 15.40 |
| | | | | **760.51** | | **596.43** |

(₹ cr)

| Note 6.3 Current investment | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| | **Unquoted** | | |
| a) | Investment in mutual funds measured at FVTPL | 550.08 | 740.30 |
| | | **550.08** | **740.30** |

Aggregate amount of investments and market value thereof:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Aggregate amount of quoted investments | 759.27 | 595.19 |
| Aggregate market value of quoted investments | 759.27 | 595.19 |
| Aggregate amount of unquoted investments | 579.43 | 765.86 |
| Aggregate amount of impairment in value of investments | - | - |

[1]In ₹ and fully paid unless otherwise stated | [2]Dissolved during the year | [3]Pursuant to rights issue, partially paid ₹ 70 per share in the previous year

(₹ cr)

| Note 7 Loans | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| Loan to others | | | | | |
| a) | Considered good - unsecured (curent year: ₹ 40,299) | | 3.61 | 0.13 | 3.72 |
| | | | **3.61** | **0.13** | **3.72** |

(₹ cr)

| Note 8 Other financial assets | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| a) | Security deposits for utilities and premises | 0.86 | 2.05 | 0.54 | 2.13 |
| b) | Derivative financial assets designated as hedges (net) | 0.50 | - | 0.60 | - |
| c) | Finance lease receivables (refer Note 29.12) | - | 6.89 | - | 3.58 |
| d) | Balance with banks in fixed deposits, with maturity beyond 12 months | - | 0.01 | - | - |
| e) | Interest \| Dividend receivable | 0.47 | - | - | - |
| f) | Other receivables (including discount receivable, insurance receivable, etc) | 14.45 | - | 13.97 | - |
| | | **16.28** | **8.95** | **15.11** | **5.71** |

(₹ cr)

| Note 9 Other assets | | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Current | Non-current | Current | Non-current |
| a) | Balances with government authorities | | | | | |
| | i) | Taxes paid under protest | - | 17.06 | - | 19.19 |
| | ii) | GST \| VAT receivable | 93.32 | 29.48 | 59.24 | 15.29 |
| | iii) | Balances with statutory authorities | 6.25 | - | 0.11 | - |
| | iv) | Deposit paid under protest | - | 0.17 | - | 0.17 |
| | v) | Security deposit | - | 2.08 | - | 2.09 |
| b) | Export incentive receivables | | 14.62 | - | 19.41 | - |
| c) | Capital advances | | - | 86.73 | - | 20.95 |
| d) | Prepayment | | | | | |
| | | Others | 61.50 | - | 37.77 | - |
| e) | Other receivables | | 4.90 | 0.01 | 3.03 | 0.45 |
| | | | **180.59** | **135.53** | **119.56** | **58.14** |

(₹ cr)

| Note 10 Inventories[1,2,3] | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Raw materials and packing materials | 200.69 | 155.57 |
| | Add: Goods-in-transit | 14.25 | 9.80 |
| | | 214.94 | 165.37 |
| b) | Work-in-progress | 186.65 | 134.91 |
| c) | Finished goods | 383.69 | 249.96 |
| d) | Stock-in-trade | 23.92 | 3.57 |
| e) | Stores, spares and fuel | 49.48 | 35.90 |
| | Add: Goods-in-transit | 5.44 | 4.43 |
| | | 54.92 | 40.33 |
| | | **864.12** | **594.14** |

[1]Valued at cost or net realisable value, whichever is lower.

[2]Inventories have been offered as security against the working capital facilities provided by the bank

[3]Amounts (reversed) | provided in the Standalone Statement of Profit and Loss of ₹ (6.55) cr (March 31, 2021: ₹ 6.91 cr).

(₹ cr)

| Note 11 Trade receivables[1] | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Considered good - unsecured | 993.08 | 738.19 |
| b) | Which have significant increase in credit risk | 8.66 | 7.20 |
| | Less: Allowance for doubtful debts (refer Note 29.8)[2] | (12.73) | (12.16) |
| | | **989.01** | **733.23** |

[1]Trade receivables have been offered as security against the working capital facilities provided by the bank .

[2]Allowance for doubtful debts recognised (including expected credit loss) in the Consolidated Statement of Profit and Loss of ₹ 0.57 cr (March 31, 2021: ₹ 1.85 cr).

## Trade receivables ageing

(₹ cr)

| No. | Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Not Due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | Undisputed trade receivables: considered good | 861.78 | 130.75 | 0.03 | 0.51 | 0.01 | - | 993.08 |
| 2. | Disputed trade receivables: which have significant increase in credit risk | - | - | 2.63 | 0.95 | 0.50 | 4.58 | 8.66 |
| | Allowance for doubtful debts* | - | (4.96) | (1.49) | (1.20) | (0.50) | (4.58) | (12.73) |
| | | **861.78** | **125.79** | **1.17** | **0.01** | **0.01** | **-** | **989.01** |

*Allowance for doubtful debts include expected credit loss provision.

(₹ cr)

| No. | Particulars | As at March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Not Due | Less than 6 months | 6 months-1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | Undisputed trade receivables: considered good | 646.26 | 91.87 | 0.06 | - | - | - | 738.19 |
| 2. | Disputed trade receivables: which have significant increase in credit risk | - | - | 0.86 | 1.20 | 1.78 | 3.36 | 7.20 |
| | Allowance for doubtful debts* | - | (5.00) | (0.86) | (1.16) | (1.78) | (3.36) | (12.16) |
| | | **646.26** | **86.87** | **0.06** | **0.04** | **-** | **-** | **733.23** |

*Allowance for doubtful debts include expected credit loss provision.

(₹ cr)

| Note 12 Cash and cash equivalents | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Balances with banks | | |
| | In current accounts | 57.54 | 46.74 |
| b) | Cash on hand | 0.15 | 0.17 |
| | | **57.69** | **46.91** |

There are no repatriation restrictions with regard to cash and cash equivalents.

(₹ cr)

| Note 13 Bank balances other than cash and cash equivalents above | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Unclaimed dividend | 2.73 | 2.75 |
| b) | Unclaimed interest on public deposit (current year: ₹15,193 and previous year: ₹ 15,193) | | |
| c) | Short-term bank deposit with maturity between 3 to 12 months | 8.50 | 298.52 |
| | | **11.23** | **301.27** |

| Note 14 Equity share capital | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Number of shares | ₹ cr | Number of shares | ₹ cr |
| **a)** | **Authorised** | | | | |
| | Equity shares of ₹ 10 each | 8,00,00,000 | 80.00 | 8,00,00,000 | 80.00 |
| | | | 80.00 | | 80.00 |
| **b)** | **Issued** | | | | |
| | Equity shares of ₹ 10 each | 2,96,17,098 | 29.62 | 2,96,17,098 | 29.62 |
| | | | 29.62 | | 29.62 |
| **c)** | **Subscribed** | | | | |
| | Equity shares of ₹ 10 each, fully paid | 2,95,87,051 | 29.59 | 2,95,87,051 | 29.59 |
| | | | | | |
| **d)** | **Forfeited shares** | | | | |
| | Amount originally paid-up on forfeited shares | 29,991 | 0.02 | 29,991 | 0.02 |
| | | | **29.61** | | **29.61** |

a) Rights, preferences and restrictions:

The Group has one class of shares referred to as equity shares having a par value of ₹ 10.

i) Equity shares:

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts and preference shares, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

Each holder of equity shares is entitled to one vote per share.

ii) Dividend:

The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Shares reserved for allotment at a later date:

56 equity shares are held in abeyance due to disputes at the time of earlier rights issues.

c) Details of shareholders holding more than 5% of equity shares:

| No. | Name of the shareholder | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Holding % | Number of shares | Holding % | Number of shares |
| 1. | Aagam Holdings Pvt Ltd | 22.49% | 66,54,000 | 22.48% | 66,54,000 |
| 2. | Arvind Farms Pvt Ltd | 9.45% | 27,96,208 | 9.45% | 27,96,208 |
| 3. | HDFC Trustee Company Ltd | * | * | 5.67% | 16,76,755 |
| 4. | DSP Midcap Fund | * | * | 5.23% | 15,47,441 |

*Shareholding is below 5% as at March 31, 2022

## Note 14 Equity share capital (continued)

d) Reconciliation of the number of shares outstanding and the amount of equity share capital:

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Number of shares | ₹ cr | Number of shares | ₹ cr |
| Balance as at the beginning of the year[1] | 2,96,17,042 | 29.61 | 2,96,91,724 | 29.68 |
| Less: Buy-back of equity shares (refer Note 29.14) | - | - | 74,682 | 0.07 |
| Balance as at the end of the year[1] | 2,96,17,042 | 29.61 | 2,96,17,042 | 29.61 |

[1]Incudes 29,991 forfeited shares and amount of ₹ 0.02 cr

e) Shareholding of promoters:

| No. | Name of the promoter | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|---|
| | | Number of shares | % of total shares | % Change during the year | Number of shares | % of total shares | % Change during the year |
| 01. | Aagam Holdings Pvt Ltd | 66,54,000 | 22.49% | - | 66,54,000 | 22.49% | 0.05% |
| 02. | Arvind Farms Pvt Ltd | 27,96,208 | 9.45% | - | 27,96,208 | 9.45% | - |
| 03. | Aagam Agencies Pvt Ltd (formerly known as Adhigam Investments Pvt Ltd) | 11,95,000 | 4.04% | 0.06% | 11,94,254 | 4.04% | 0.07% |
| 04. | Aayojan Resources Pvt Ltd | 6,14,460 | 2.08% | - | 6,14,460 | 2.08% | - |
| 05. | Akshita Holdings Pvt Ltd | 4,64,400 | 1.57% | - | 4,64,400 | 1.57% | 0.22% |
| 06. | Adhinami Investments Pvt Ltd | 4,55,350 | 1.54% | - | 4,55,350 | 1.54% | - |
| 07. | Anusandhan Investments Ltd | 2,35,000 | 0.79% | - | 2,35,000 | 0.79% | - |
| 08. | Samvegbhai Arvindbhai Lalbhai | 2,02,377 | 0.68% | - | 2,02,377 | 0.68% | - |
| 09. | Saumya Samvegbhai Lalbhai | 1,74,070 | 0.59% | - | 1,74,070 | 0.59% | - |
| 10. | Samvegbhai Arvindbhai (on behalf of Samvegbhai Arvindbhai Lalbhai HUF) | 1,14,943 | 0.39% | - | 1,14,943 | 0.39% | - |
| 11. | Sunil Siddharth Lalbhai | 91,772 | 0.31% | - | 91,772 | 0.31% | - |
| 12. | Vimla S Lalbhai* | 65,982 | 0.22% | - | 65,982 | 0.22% | - |
| 13. | Swati S Lalbhai | 63,500 | 0.21% | - | 63,500 | 0.21% | - |
| 14. | Taral S Lalbhai | 50,027 | 0.17% | 0.01% | 50,022 | 0.17% | - |
| 15. | Anamikaben Samveghbhai Lalbhai | 47,199 | 0.16% | - | 47,199 | 0.16% | - |
| 16. | Sunil Siddharth Lalbhai (on behalf of Sunil Siddharth HUF) | 31,544 | 0.11% | - | 31,544 | 0.11% | - |
| 17. | Astha Lalbhai | 20,500 | 0.07% | - | 20,500 | 0.07% | - |
| 18. | Hansa Niranjanbhai (on behalf of Manini Niranjan Trust and BOI) | 5,999 | 0.02% | - | 5,999 | 0.02% | - |
| 19. | Nishtha Sunilbhai Lalbhai | 5,500 | 0.02% | - | 5,500 | 0.02% | - |
| 20. | Sanjaybhai Shrenikbhai Lalbhai (on behalf of Arvindbhai Lalbhai Family Trust) | 3,653 | 0.01% | - | 3,653 | 0.01% | - |
| 21. | Swati Siddharth Lalbhai (on behalf of Sunil Lalbhai Employees Trust 1) | 2,000 | 0.01% | 100% | - | - | - |
| 22. | Lalbhai Dalpatbhai HUF | 1,169 | - | - | 1,169 | - | - |
| 23. | Sunil Siddharth Lalbhai (on behalf of Vimla Siddharth Family Trust) | 1,070 | - | 100% | - | - | - |
| 24. | Sheth Narottambhai Lalbhai | 495 | - | - | 495 | - | - |
| 25. | Sunil Lalbhai Employee Trust | - | - | (100%) | 2,000 | 0.01% | - |

*Out of 65,982 shares, 35,620 shares are held on behalf of Siddharth Family Trust and 4,612 shares are held on behalf of Vimla Siddharth Trust

(₹ cr)

| Note 15 Other equity | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| **Summary of other equity balance** | | | | |
| a) | General reserve | | 71.24 | 70.99 |
| b) | Retained earnings | | 3,747.18 | 3,230.80 |
| c) | Statutory reserve | | 0.18 | 0.06 |
| d) | Capital redemption reserve | | 0.07 | 0.07 |
| e) | Other reserves | | | |
| | i) | FVTOCI equity instruments | 554.95 | 469.50 |
| | ii) | Effective portion of cash flows hedges | 0.20 | 0.43 |
| | iii) | Foreign currency translation reserve | 25.53 | 25.06 |
| | | | **4,399.35** | **3,796.91** |

Refer Consolidated Statement of changes in equity for detailed movement in other equity balance.

### Nature and purpose of other reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956 and local laws of respective foreign subsidiary companies.

c) Retained earnings

Retained earnings are the profits that the Group has earned till date, less, any transfers to general reserve, any transfers from or to other comprehensive income, dividends or other distributions paid to shareholders.

d) Statutory reserve

Statutory reserve represents the reserve created pursuant to the Reserve Bank of India Act, 1934 (the RBI Act). In terms of Section 45-IC of the RBI Act, a Non-Banking Finance Company is required to transfer an amount not less than 20 per cent of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by RBI.

e) Capital redemption reserve

In accordance with Section 69 of the Companies Act, 2013, the Company creates capital redemption reserve equal to the nominal value of the shares bought back as an appropriation from general reserve.

f) FVTOCI - Equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

g) Effective portion of cash flows hedges

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Group uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

h) Foreign currency translation reserve

Exchange differences arising on translation of the Financial Statements of a foreign operation are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the Consolidated Statement of Profit and Loss when the net investment is disposed off.

(₹ cr)

| Note 16 Borrowings | | | Maturity | Terms of repayment | Interest rate p.a. | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|---|---|---|
| a) | Secured | | | | | | | | |
| | i) | Rupee term loan from banks (refer Note a) | July 2025 | 20 equal quarterly installments | 8.90% | - | - | - | 60.75 |
| | | | December 2025 | 22 equal quarterly installments | 9.00% | - | - | - | 36.83 |
| | | | September 2027 | 20 equal quarterly installments | 8.25% | | 49.33 | - | 2.44 |
| | ii) | Foreign currency term loan from banks (refer Note b) | May 2023 | 50 equal monthly installments | 5.25% | - | 0.79 | - | 0.87 |
| | | | August 2023 | 48 equal monthly installments starting from September 2019 | 2.75% (Base rate + 2%) | - | - | - | 5.88 |
| | iii) | Working capital loans from banks (refer Note c) | December 2025 | 22 equal quarterly installments | 8.25% | 0.02 | 0.53 | | 2.89 |
| | | | 1 - 12 months | Repayable on demand | 9.75% - 10.15% | 4.25 | - | 3.51 | - |
| | | | Short term | Repayable on demand | 7.10% - 7.35% | 22.77 | - | - | - |
| b) | Unsecured | | | | | | | | |
| | i) | Loan from related parties | 1 - 6 months | 1 - 6 months | 9.00% | - | 10.50 | - | 13.50 |
| | ii) | Working capital demand loan from banks | 0 - 90 days | 0 - 90 days | 3.8% to 4% | 50.17 | - | - | - |
| | | | | | | 77.22 | 61.16 | 3.51 | 123.16 |
| | | Amount of current maturities of long-term debt disclosed under the head ‘current borrowing’ | | | | 0.11 | (0.11) | 24.95 | (24.95) |
| | | | | | | **77.33** | **61.05** | **28.46** | **98.21** |

**Notes:**

a) Rupee term loans from banks are secured by exclusive charge on the property, plant and equipment of respective subsidiary companies, both present and future.

b) Foreign currency term loans from banks are secured by exclusive charge on the building of respective subsidiary companies, both present and future.

c) Working capital loans repayable on demand from banks (March 31, 2022: ₹ 72.94, March 31, 2021: nil) are secured by hypothecation of tangible current assets, namely, inventories and book debts and secured by second and subservient charge on immovable and movable assets of the Company and certain subsidiary comapnies to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 195.80 cr (March 31, 2021: ₹ 144.73 cr).

d) Quarterly statement of current assets filed with banks during the year are in agreement with the books of accounts.

## Note 16 Borrowings (continued)

e) The carrying amount of assets hypothecated | mortgaged as security for current and non-current borrowing limits are:

(₹ cr)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| i) | Property, plant and equipment excluding leasehold land, certain lands and buildings | 1,402.10 | 1,299.09 |
| ii) | Inventories | 701.03 | 556.07 |
| iii) | Trade receivables | 1,058.83 | 739.83 |
| iv) | Current assets other than inventories and trade receivables | 167.59 | 141.40 |
| **Total assets as security** | | **3,329.55** | **2,736.39** |

f) Net debt reconciliation

(₹ cr)

| Particulars | Liabilities from financing activities | | |
|---|---|---|---|
| | Current borrowings | Non-current borrowings | Total |
| **Net debt as at March 31, 2020** | **10.39** | **98.08** | **108.47** |
| (Repayments) \| Disbursements | (6.88) | 25.08 | 18.20 |
| Interest expense | 0.55 | 5.01 | 5.56 |
| Interest paid | (0.55) | (5.01) | (5.56) |
| | 3.51 | 123.16 | 126.67 |
| Amount of current maturities of long-term debt disclosed under the head current borrowing | 24.95 | (24.95) | - |
| **Net debt as at March 31, 2021** | **28.46** | **98.21** | **126.67** |
| (Repayments) \| Disbursements | 48.76 | (37.05) | 11.71 |
| Interest expense | 1.43 | 4.10 | 5.53 |
| Interest paid | (1.43) | (4.10) | (5.53) |
| | 77.22 | 61.16 | 138.38 |
| Amount of current maturities of long-term debt disclosed under the head current borrowing | 0.11 | (0.11) | - |
| **Net debt as at March 31, 2022** | **77.33** | **61.05** | **138.38** |

(₹ cr)

| Note 17 Other financial liabilities | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| a) | Employee benefits payable | 63.56 | - | 59.08 | - |
| b) | Security deposits | 31.95 | - | 30.94 | - |
| c) | Unclaimed dividends* | 2.73 | - | 2.75 | - |
| d) | Creditor for capital goods | 79.27 | - | 39.34 | - |
| e) | Other liabilities | 3.67 | 3.86 | 3.35 | 3.66 |
| | | **181.18** | **3.86** | **135.46** | **3.66** |

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2022.

(₹ cr)

| Note 18 Provisions | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| a) | Provision for compensated absences | 10.36 | 29.20 | 8.50 | 25.30 |
| b) | Others {refer i (b) and (ii) below} | 36.44 | - | 29.26 | - |
| | | **46.80** | **29.20** | **37.76** | **25.30** |

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### Note 18 Provisions (continued)

i) Information about individual provisions and significant estimates

a) Compensated absences:

The Compensated absences cover the liability for sick and earned absences. Out of the total amount disclosed above, the amount of ₹ 10.36 cr (March 31, 2021: ₹ 8.50 cr) is presented as current since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

b) Others:

Regulatory and other claims:

The Group has provided for certain regulatory and other charges for which claims have been received by the Group. The provision represents the unpaid amount that the entity expect to incur | pay for which the obligating event has already arisen as on the reporting date.

Effluent disposal:

The Group has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount the entity expects to incur for which the obligating event has already arisen as on the reporting date.

ii) Movements in provisions:

(₹ cr)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Regulatory and other claims | Effluent disposal and others | Regulatory and other claims | Effluent disposal and others |
| Balance as at the beginning of the year | 25.60 | 3.67 | 26.67 | 1.95 |
| Less: Utilised | (0.02) | (3.67) | (1.07) | (1.95) |
| Provision made during the year | 4.35 | 6.51 | - | 3.67 |
| **Balance as at the end of the year** | **29.93** | **6.51** | **25.60** | **3.67** |

(₹ cr)

| Note 19 Other liabilities | | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|
| | | Current | Non-current | Current | Non-current |
| a) | Deferred income on account of government grant received | - | 4.46 | - | 5.41 |
| b) | Statutory dues | 12.63 | - | 10.29 | - |
| c) | Others | 0.34 | - | - | - |
| | | **12.97** | **4.46** | **10.29** | **5.41** |

(₹ cr)

| Note 20 Trade payables | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Total outstanding dues of micro-enterprises and small enterprises | 44.67 | 23.54 |
| b) | Total outstanding dues of creditors other than micro-enterprises and small enterprises | 590.06 | 539.59 |
| | | **634.73** | **563.13** |

### Trade payables ageing

(₹ cr)

| No. | Particulars | As at March 31, 2022 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Unbilled | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | MSME | - | 43.89 | 0.54 | 0.24 | - | - | 44.67 |
| 2. | Others | 75.13 | 399.75 | 113.91 | 1.16 | 0.06 | 0.05 | 590.06 |
| | | **75.13** | **443.64** | **114.45** | **1.40** | **0.06** | **0.05** | **634.73** |

## Note 20 Trade payables (continued)

(₹ cr)

| No. | Particulars | As at March 31, 2021 | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Unbillied | Not due | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| 1. | MSME | - | 23.17 | 0.37 | - | - | - | 23.54 |
| 2. | Others | 55.82 | 386.61 | 96.40 | 0.48 | 0.27 | 0.01 | 539.59 |
| | | **55.82** | **409.78** | **96.77** | **0.48** | **0.27** | **0.01** | **563.13** |

(₹ cr)

| Note 21 Contract liabilities | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| a) | Advances received from customers | 33.82 | 24.43 |
| | | **33.82** | **24.43** |

(₹ cr)

| Note 22 Revenue from operations | 2021-22 | 2020-21 |
|---|---|---|
| Sale of products | 4,825.13 | 3,633.15 |
| Sale of services[1] | 190.74 | 45.28 |
| Scrap sales | 15.42 | 7.99 |
| Commission received | 0.02 | 0.01 |
| Processing charges | 8.35 | 9.54 |
| **Revenue from contracts with customers** | **5,039.66** | **3,695.97** |
| Export incentives | 41.23 | 35.50 |
| | **5,080.89** | **3,731.47** |

[1]Includes ₹ 188.52 cr (2020-21: ₹ 43.53 cr) on account of freight and insurance in sale of goods on CIF, which are identified as separate performance obligation under Ind AS 115.

### Disaggregation of revenue from contracts with customers

(₹ cr)

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Sale of goods \| services | | |
| **Life Science Chemicals** | **1,449.36** | **1,204.36** |
| Domestic | 695.16 | 642.93 |
| Export | 754.20 | 561.43 |
| **Performance and Other Chemicals** | **3,733.69** | **2,598.38** |
| Domestic | 2,018.16 | 1,455.47 |
| Export | 1,715.53 | 1,142.91 |
| **Others** | **69.97** | **48.48** |
| | **5,253.02** | **3,851.22** |
| Inter-segment revenue | 213.36 | 155.25 |
| | **5,039.66** | **3,695.97** |

## Note 22 Revenue from operations (continued)

**Reconciliation of revenue from contracts with customers recognised at contract price**

(₹ cr)

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| **Contract price** | **5,113.08** | **3,734.33** |
| Adjustments for: | | |
| Consideration payable to customers - discounts[1] | (67.16) | (31.98) |
| Contract price allocated to unsatisfied performance obligation for sale of services (net)[2] | (6.26) | (6.38) |
| **Revenue from contracts with customers** | **5,039.66** | **3,695.97** |

[1]Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the contract price when the Group recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

[2]Unsatisfied performance obligation for sale of services comprises revenue from insurance and freight services for exports in-progress as at March 31, 2022, of ₹ 16.37 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2021, for ₹ 10.11 cr. The revenue for exports in-progress as at March 31, 2022, will be recognised in 2022-23 upon completion of the exports.

(₹ cr)

| Note 23 Other income | 2021-22 | 2020-21 |
|---|---|---|
| Dividend from equity investments measured at FVTOCI | 4.17 | 57.01 |
| Dividends from investments measured at FVTPL | - | 0.04 |
| Interest from inter-company deposits | 2.93 | 0.19 |
| Interest income from financial assets measured at amortised cost | 4.31 | 13.71 |
| Interest income from financial assets measured at FVTPL | 7.92 | 0.07 |
| Interest from others | 3.21 | 2.70 |
| Lease income | 1.26 | 0.80 |
| Fair value changes in biological assets | 2.10 | 0.31 |
| Gain \| (loss) on disposal of property, plant and equipment | (0.56) | 0.86 |
| Gain on investments measured at FVTPL | 24.25 | 24.15 |
| Net exchange rate difference gain \| (loss) | 11.29 | (8.41) |
| Miscellaneous income | 15.12 | 11.55 |
| | **76.00** | **102.98** |

(₹ cr)

| Note 24 Cost of materials consumed | 2021-22 | 2020-21 |
|---|---|---|
| Raw materials and packing materials consumed | | |
| Stocks at commencement | 155.77 | 112.12 |
| Add: Purchase | 2,644.97 | 1,645.82 |
| | 2,800.74 | 1,757.94 |
| Less: Stocks at close | 200.69 | 155.77 |
| | **2,600.05** | **1,602.17** |

(₹ cr)

| Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade | 2021-22 | 2020-21 |
|---|---|---|
| **Stocks at close** | | |
| Finished goods | 396.49 | 261.49 |
| Work-in-progress | 188.12 | 136.13 |
| Stock-in-trade | 23.92 | 3.58 |
| | 608.53 | 401.20 |
| **Less: Stocks at commencement** | | |
| Finished goods | 261.49 | 205.38 |
| Work-in-progress | 136.13 | 134.74 |
| Stock-in-trade | 3.58 | 0.66 |
| | 401.20 | 340.78 |
| (Increase) \| Decrease in stocks | **(207.33)** | **(60.42)** |

(₹ cr)

| Note 26 Employee benefit expenses | 2021-22 | 2020-21 |
|---|---|---|
| Salaries, wages and bonus (refer Note 29.6) | 311.35 | 284.17 |
| Contribution to provident and other funds (refer Note 29.6) | 21.19 | 18.78 |
| Staff welfare | 10.00 | 7.41 |
| | **342.54** | **310.36** |

(₹ cr)

| Note 27 Finance costs | 2021-22 | 2020-21 |
|---|---|---|
| Interest on borrowings | 5.53 | 5.56 |
| Interest on financial liabilities at amortised cost | 1.20 | 1.33 |
| Interest on others | 1.48 | 2.00 |
| Other borrowings costs | 0.96 | 0.46 |
| | **9.17** | **9.35** |

(₹ cr)

| Note 28 Other expenses | 2021-22 | 2020-21 |
|---|---|---|
| Power, fuel and water | 510.14 | 309.27 |
| Freight charges | 265.95 | 94.00 |
| Manpower services | 35.89 | 34.36 |
| Consumption of stores and spares | 61.82 | 54.91 |
| Conversion and plant operation charges | 57.32 | 64.60 |
| Plant and equipment repairs | 90.98 | 71.20 |
| Building repairs | 38.02 | 34.82 |
| Sundry repairs | 13.51 | 9.51 |
| Rent | 1.86 | 1.79 |
| Rates and taxes | 1.81 | 1.84 |
| Insurance | 18.26 | 14.86 |

(₹ cr)

| Note 28 Other expenses | 2021-22 | 2020-21 |
|---|---|---|
| Commission | 10.42 | 5.46 |
| Travelling and conveyance | 13.56 | 10.72 |
| Payments to the Statutory Auditors | 1.51 | 1.48 |
| a) Audit fees | 1.16 | 1.12 |
| b) Tax matters | 0.11 | 0.10 |
| c) Other matters | 0.24 | 0.24 |
| d) Out of pocket expenses | - | 0.02 |
| Payments to the Cost Auditors | 0.03 | 0.03 |
| Directors' fees and travelling | 0.41 | 0.45 |
| Directors' commission (other than the Executive Directors) | 0.96 | 0.95 |
| Bad debts and irrecoverable balances written off \| (written back) | (1.30) | 0.62 |
| Provision for doubtful debts (net) | 0.57 | 1.85 |
| Loss on assets sold, discarded or demolished | 1.87 | 0.95 |
| Expenditure on Corporate Social Responsibility initiatives | 15.43 | 12.86 |
| Exchange rate difference - loss | 0.88 | - |
| Miscellaneous expenses | 98.38 | 82.26 |
| | **1,238.28** | **808.79** |

## Note 29.1 Contingent liabilities

(₹ cr)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| **Claims against the Group not acknowledged as debts in respect of:** | | | |
| i) | Excise duty | 0.67 | 0.82 |
| ii) | Income tax | 7.90 | 8.56 |
| iii) | Sales tax \| VAT | 0.71 | 0.79 |
| iv) | Customs duty | 1.94 | 1.94 |
| v) | Others | 109.75 | 104.91 |
| vi) | Corporate guarantee | 51.75 | 0.76 |

Others include claims on account of water charges and customer claims | potential claims.

The regulatory claims are under litigation at various forums. The Group expects the outcome of the above matters to be in its favour and has, therefore, not recognised provision in relation to these claims. The above excludes interest | penalty unless demanded by the authorities

## Note 29.2 Commitments

**a) Capital commitments**

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Estimated amount of contracts remaining to be executed and not provided for (net of advances):** | | |
| Property, plant and equipment | 378.84 | 64.81 |
| **Other commitment[1]** | - | 1.36 |

[1]Uncalled capital pertaining to investment in partly paid equity shares of a listed entity.

## Note 29.3 Research and development

Details of expenditure incurred on approved in-house research and development facilities:

(₹ cr)

| Particulars | 2021-22 | 2020-21 |
|---|---|---|
| Capital expenditure on building | 3.06 | - |
| Other capital expenditure | 0.32 | 3.24 |
| Recurring expenditure | 29.01 | 25.98 |
| | **32.39** | **29.22** |

## Note 29.4 Related party disclosures

## Note 29.4 (A) Related party information

Name of the related party and nature of relationship

| No. | Name of the related party | Description of relationship |
|---|---|---|
| 01. | Aagam Holdings Pvt Ltd | Entity over which control exercised by Key Management Personnel |
| 02. | Aayojan Resources Pvt Ltd | |
| 03. | Adhigam Investments Pvt Ltd | |
| 04. | Samveg Agencies Pvt Ltd | |
| 05. | Rudolf Atul Chemicals Ltd | Joint venture company |
| 06. | Rudolf GmbH | Entity over which control exercised by Joint venture partner |
| 07. | Rudolf Hub 1922 S.r.l | |
| 08. | Key Management Personnel | |
| | Sunil Lalbhai | Chairman and Managing Director |
| | Samveg Lalbhai | Managing Director |
| | Bharathy Mohanan | Whole-time Director and President - U&S |
| | Gopi Kannan Thirukonda | Whole-time Director and CFO |
| | Rajendra Shah | Non-executive Director |
| | Bansi Mehta | Non-executive Director |
| | Susim Datta | Non-executive Director |
| | Srinivasa Rangan | Non-executive Director |
| | Mukund Chitale | Non-executive Director |
| | Shubhalakshmi Panse | Non-executive Director |
| | Baldev Arora | Non-executive Director |
| | **Amal Ltd** | |
| | Rajeev Kumar | Managing Director |
| | Abhay Jadeja | Director |

## Note 29.4 Related party disclosures (continued)

| No. | Name of the related party | Description of relationship |
|---|---|---|
| | Sujal Shah | Director |
| | Mahalakshmi Subramanian | Director |
| | **Atul Bioscience Ltd** | |
| | Prabhakar Chebiyyam | Managing Director |
| | Ajit Dangi | Director |
| | Pramod Lele | Director |
| | Rangaswamy Iyer | Director |
| | Astha Lalbhai | Director |
| | Sharat Tripathi | Director |
| | **Atul Europe Ltd** | |
| | Edward Sharkey | Director |
| | Jacques Collonge | Director |
| | Vasudev Koppaka | Director |
| | **DPD Ltd** | |
| | Avril Brackpool | Director |
| | Ajitsingh Batra | Director |
| | Edward Sharkey | Director |
| | Shailesh Pandya | Director |
| 09. | Close family members of Key Management Personnel | |
| | Vimla Lalbhai | Mother of Sunil Lalbhai |
| | Swati Lalbhai | Sister of Sunil Lalbhai |
| | Astha Lalbhai | Daughter of Sunil Lalbhai |
| | Saumya Lalbhai | Son of Samveg Lalbhai |
| | Nishtha Lalbhai | Daughter of Sunil Lalbhai |
| 10. | Welfare funds | Entities over which Key Management Personnel or their close family members have significant influence |
| | Atul Foundation Trust | |
| | Atul Kelavani Mandal | |
| | Atul Rural Development Fund | |
| | Atul Vidyalaya Trust | |
| | Urmi Stree Sanstha | |
| 11. | Other related parties[1] | |
| | Amal Ltd Group Gratuity Scheme Trust | Post-employment benefit plan of Amal Ltd |
| | Atul Ltd Employees Gratuity Fund | Post-employment benefit plan of Atul Ltd |
| | Atul Bioscience Staff Gratuity Trust | Post-employment benefit plan of Atul Bioscience Ltd |
| | Atul Crop Care Ltd Employees Group Gratuity Assurance Scheme | Post-employment benefit plan of Atul Crop Care Ltd |
| | Atul Finserv Ltd Employees Group Gratuity Scheme | Post-employment benefit plan of Atul Finserv Ltd |
| | Atul Products Ltd - Ankleshwar Division Employees' Provident Fund Trust | Post-employment benefit plan of Atul Ltd |
| | Atul Rajasthan Date Palms Ltd | Post-employment benefit plan of Atul Rajasthan Date Palms Ltd |
| | Lapox Polymers Ltd Employees Group Gratuity Assurance Scheme | Post-employment benefit plan of Lapox Polymers Ltd |
| | Rudolf Atul Chemicals Ltd Employees Group Gratuity Assurance Scheme | Post-employment benefit plan of Rudolf Atul Chemicals Ltd |
| | The Atul Officers Retirement Benefit Fund | Post-employment benefit plan of Atul Ltd |

[1]Refer Note 29.6 for information on transactions with post-employment benefit plans mentioned above.

## Note 29.4 Related party disclosures (continued)

(₹ cr)

| Note 29.4 (B) Transactions with joint venture company | | | 2021-22 | 2020-21 |
| --- | --- | --- | --- | --- |
| a) | **Sales and income** | | | |
| | 1. | Sale of goods | 3.73 | 2.10 |
| | 2. | Service charges received | 3.92 | 3.55 |
| | 3. | Lease rent received | 0.66 | 0.46 |
| | 4. | Brand usage charges | 0.02 | 0.02 |
| b) | **Purchase and expenses** | | | |
| | 1. | Purchase of goods | 0.01 | 0.09 |
| | 2. | Reimbursement of expenses (previous year: ₹ 720) | - | |
| | 3. | Interest expenses | 0.95 | 0.79 |
| c) | **Other transactions** | | | |
| | 1. | Dividends received from equity investment measured at cost | 4.38 | 1.46 |
| | 2. | Reimbursement received | 0.27 | 0.16 |
| | 3. | Sale of fixed assets | - | 0.06 |
| | 4. | Inter-corporate deposit recevied | - | 3.00 |

The above transactions are with Rudolf Atul Chemicals Ltd.

(₹ cr)

| Note 29.4 (C) Transactions with entity over which control exercised by joint venturer | | | 2021-22 | 2020-21 |
| --- | --- | --- | --- | --- |
| a) | **Sales and income** | | | |
| | 1 | Commission received | **0.87** | **0.44** |
| | | Rudolf GmbH | 0.87 | 0.44 |
| b) | **Purchases and expenses** | | | |
| | 1 | Purchase of goods | **15.91** | **16.43** |
| | | Rudolf GmbH | 15.91 | 16.43 |
| | 2 | Business promotion and development | **0.49** | **0.60** |
| | | Rudolf Hub 1922 S.r.l | 0.49 | 0.60 |

(₹ cr)

| Note 29.4 (D) Key Management Personnel compensation | | 2021-22 | 2020-21 |
| --- | --- | --- | --- |
| **Remuneration** | | **22.69** | **22.21** |
| 1 | Short-term employee benefits | 20.19 | 19.90 |
| 2 | Post-employment benefits[1] | 1.15 | 0.98 |
| 3 | Commission and other benefits to Non-executive \| Independent Directors | 1.35 | 1.33 |

[1]Compensation excludes provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

## Note 29.4 Related party disclosures (continued)

(₹ cr)

| Note 29.4 (E) Close family members of Key Management Personnel compensation | | 2021-22 | 2020-21 |
|---|---|---|---|
| **Remuneration[1]** | | **0.87** | **0.74** |
| 1 | Astha Lalbhai | 0.40 | 0.38 |
| 2 | Saumya Lalbhai | 0.26 | 0.25 |
| 3 | Nishtha Lalbhai | 0.21 | 0.11 |

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

| Note 29.4 (F) Transactions with entities over which Key Management Personnel or their close family members have significant influence | | | 2021-22 | 2020-21 |
|---|---|---|---|---|
| a) | **Sales and income** | | | |
| | 1 | Sale of goods | **0.12** | **0.12** |
| | | Atul Kelavani Mandal | 0.03 | 0.04 |
| | | Atul Rural Development Fund (current year: ₹ 44,778 and previous year: ₹ 35,555) | | |
| | | Atul Vidyalaya Trust | 0.09 | 0.08 |
| | | Urmi Stree Sanstha (current year: ₹ 21,702 and previous year: ₹ 25,667) | | |
| | 2 | Lease rent received | **0.02** | **0.05** |
| | | Atul Kelvani Mandal | 0.02 | 0.05 |
| b) | **Purchases and expenses** | | | |
| | 1 | Purchase of goods | **0.01** | **0.05** |
| | | Atul Foundation Trust | 0.01 | 0.05 |
| c) | **Other transactions** | | | |
| | 1 | Expenditure on Corporate Social Responsibility initiatives | **7.51** | **2.99** |
| | | Atul Foundation Trust | 6.89 | 2.82 |
| | | Atul Rural Development Fund | 0.62 | 0.17 |
| | 2 | Reimbursements received | **0.04** | **0.05** |
| | | Atul Foundation Trust (current year: ₹ 11,488 and previous year: ₹ 31,578) | | |
| | | Atul Kelavani Mandal (current year: ₹ 35,420) | | 0.01 |
| | | Atul Rural Development Fund (current year: ₹ 1,276 and previous year: ₹ 165) | | |
| | | Atul Vidyalaya Trust | 0.04 | 0.04 |
| | | Urmi Stree Sanstha (current year: ₹ 12,000 and previous year: ₹ 12,000) | | |

(₹ cr)

| Note 29.4 (G) Outstanding balances at the year end | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| a) | **With joint venture company** | | | |
| | 1 | Receivables | 0.89 | 1.34 |
| | 2 | Refundable security deposit | 2.00 | 2.20 |
| | 3 | Inter-corporate deposit | 10.50 | 10.50 |

The above transactions are with Rudolf Atul Chemicals Ltd.

## Note 29.4 Related party disclosures (continued)

| | | | | |
|---|---|---|---|---|
| b) | With entity over which control exercised by joint venturer | | | |
| | 1 | Payables | **0.48** | **3.53** |
| | | Rudolf GmbH | 0.04 | 2.99 |
| | | Rudolf Hub 1922 S.r.l | 0.44 | 0.54 |

(₹ cr)

| Note 29.4 (H) Outstanding balances at the year end | | | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|---|
| a) | With entities over which Key Management Personnel or their close family members have significant influence | | | |
| | 1 | Receivables | **0.02** | **0.03** |
| | | Atul Foundation Trust (current year: ₹ 22,728 and previous year ₹ 13,006) | | |
| | | Atul Kelavani Mandal | 0.01 | 0.01 |
| | | Atul Rural Development Fund (current year: ₹ 22,109 and previous year: ₹ 20,256) | | |
| | | Atul Vidyalaya Trust | 0.01 | 0.02 |
| | | Urmi Stree Sanstha (current year: ₹ 4,449 and previous year: ₹ 9,633) | | |
| | 2 | Payables | **0.04** | **0.05** |
| | | Atul Vidyalaya | 0.04 | 0.05 |

## Note 29.5 Current and deferred tax

The major components of income tax expense for the years ended March 31, 2022, and March 31, 2021, are:

### a) Income tax expense recognised in the Consolidated Statement of Profit and Loss

(₹ cr)

| | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|
| i) | **Current tax** | | |
| | Current tax on profit for the year | 212.88 | 208.58 |
| | Adjustments for current tax of prior periods | 0.63 | (1.49) |
| | Total current tax expense | **213.51** | **207.09** |
| ii) | **Deferred tax** | | |
| | (Decrease) \| Increase in deferred tax liabilities | 8.04 | 24.44 |
| | Decrease \| (Increase) in deferred tax assets | (16.55) | (9.87) |
| | Total deferred tax expense \| (benefit) | **(8.51)** | **14.57** |
| | **Income tax expense** | **205.00** | **221.66** |

## Note 29.5 Current and deferred tax (continued)

### b) Income tax expense recognised in the other comprehensive income

(₹ cr)

| | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|
| i) | **Current tax** | | |
| | Remeasurement gain \| (loss) on defined benefit plans | (1.82) | (0.34) |
| | Total current tax expense | **(1.82)** | **(0.34)** |
| ii) | **Deferred tax** | | |
| | Fair value equity investment | 2.64 | 9.68 |
| | Effective portion of gain \| (loss) on cash flow hedges | 0.13 | 0.15 |
| | Foreign currency translation reserve | 0.04 | 0.46 |
| | Total deferred tax expense \| (benefit) | **2.81** | **10.29** |
| | **Income tax expense** | **0.99** | **9.95** |

### c) The reconciliation between the statutory income tax rate applicable to the Group and the effective income tax rate of the Group is as follows:

| | | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|---|
| a) | Statutory income tax rate | | 25.17% | 25.17% |
| b) | Differences due to: | | | |
| | i) | Non-deductible expenses | 0.30% | 0.52% |
| | ii) | Exempt income | (0.74%) | (0.02%) |
| | iii) | Income tax incentives | (0.29%) | (1.65%) |
| | iv) | Effect of deferred tax expense | - | (0.02%) |
| | v) | Others | 0.88% | 1.13% |
| | **Effective income tax rate** | | **25.32%** | **25.13%** |

### d) Current tax liabilities (net)

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening balance | 6.59 | 0.72 |
| Add: Current tax payable for the year | 213.51 | 207.09 |
| Less: Taxes paid | (208.38) | (201.22) |
| **Closing balance** | **11.72** | **6.59** |

### e) Current tax assets (net)

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Opening balance | 14.54 | 12.92 |
| Add: Tax paid in advance, net of provisions during the year | (4.96) | 1.62 |
| **Closing balance** | **9.58** | **14.54** |

## Note 29.5 Current and deferred tax (continued)

### f) Deferred tax liabilities | (assets)

The following is the analysis of deferred tax liabilities | (assets) balances presented in the Consolidated Balance Sheet:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Deferred tax liabilities | 143.60 | 135.09 |
| Deferred tax assets | (16.47) | (2.21) |
| | **127.13** | **132.88** |

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

(₹ cr)

| Particulars | As at March 31, 2022 | Charged \| (Credited) to | | As at March 31, 2021 | Charged \| (Credited) to | | As at March 31, 2020 |
|---|---|---|---|---|---|---|---|
| | | profit or loss | OCI \| equity | | profit or loss | OCI \| equity | |
| Property, plant and equipment | 95.97 | (4.04) | - | 100.01 | (0.61) | - | 100.62 |
| Fair value equity investments (net) | 27.38 | - | 2.46 | 24.92 | - | 9.68 | 15.24 |
| Undistributed profit of subsidiary companies | 39.22 | 9.57 | - | 29.65 | 10.72 | - | 18.93 |
| Foreign currency translation reserves | 3.91 | - | 0.05 | 3.86 | - | 0.46 | 3.40 |
| Unrealised gain on mtutal fund | 4.58 | - | - | 4.58 | 4.19 | - | 0.39 |
| Effective portion of gains \| (loss) on cash flow hedges | 0.30 | - | 0.13 | 0.17 | - | 0.15 | 0.02 |
| Provision for leave encashment | (9.75) | (1.26) | - | (8.49) | (1.05) | - | (7.44) |
| Provision for doubtful debts | (3.21) | (0.14) | - | (3.07) | (0.44) | - | (2.63) |
| Regulatory and other charges | (6.33) | 0.01 | - | (6.34) | 0.38 | - | (6.72) |
| Investment properties | (7.43) | (0.42) | - | (7.01) | (0.31) | - | (6.70) |
| Elimination of profits resulting from intragroup transactions | (13.67) | (11.25) | - | (2.42) | 1.62 | - | (4.04) |
| MAT credit entitlement | (0.23) | 0.04 | - | (0.27) | (0.05) | - | (0.22) |
| Others | (3.61) | (1.02) | - | (2.71) | 0.30 | - | (3.01) |
| **Net deferred tax (assets) \| liabilities** | **127.13** | **(8.51)** | **2.64** | **132.88** | **14.75** | **10.29** | **107.84** |

## Note 29.6 Employee benefit obligations

**Funded schemes**

**a) Defined benefit plans**

**Gratuity**

(₹ cr)

| Particulars | Present value of obligation | Fair value of plan assets | Net amount |
|---|---|---|---|
| **As at March 31, 2020** | **50.71** | **(50.58)** | **0.13** |
| Current service cost | 3.30 | - | 3.30 |
| Interest expense \| (income) | 3.16 | (3.15) | 0.01 |
| **Total amount recognised in the Consolidated Statement of Profit and Loss** | **6.46** | **(3.15)** | **3.31** |
| Remeasurement | | | |
| Return on plan assets, excluding amount included in interest expense \| (income) | 0.01 | (0.11) | (0.10) |
| (Gain) from change in demographic assumptions | 2.08 | - | 2.08 |
| Loss from change in financial assumptions | (2.19) | - | (2.19) |
| Assets transferred in \| Acquisitions | 0.04 | - | 0.04 |
| Experience (gain) | 1.51 | - | 1.51 |
| **Total amount recognised in other comprehensive income** | **1.45** | **(0.11)** | **1.34** |
| Employer contributions | - | (4.28) | (4.28) |
| Benefit payments | (3.32) | 3.32 | - |
| **As at March 31, 2021** | **55.30** | **(54.80)** | **0.50** |
| Current service cost | 3.97 | - | 3.97 |
| Past service cost | - | - | - |
| Interest expense \| (income) | 3.51 | (3.47) | 0.04 |
| **Total amount recognised in the Consolidated Statement of Profit and Loss** | **7.48** | **(3.47)** | **4.01** |
| Remeasurement | | | |
| Return on plan assets, excluding amount included in interest expense \| (income) | (0.01) | 0.02 | 0.01 |
| (Gain) from change in demographic assumptions | (1.71) | - | (1.71) |
| Loss from change in financial assumptions | 5.94 | - | 5.94 |
| Experience (gain) | 3.02 | - | 3.02 |
| **Total amount recognised in other comprehensive income** | **7.24** | **0.02** | **7.26** |
| Employer contributions | - | (10.38) | (10.38) |
| Benefit payments | (5.17) | 5.00 | (0.17) |
| Liability transferred out \| Divestments | (0.13) | - | (0.13) |
| Assets transferred in \| Acquisitions | 0.07 | - | 0.07 |
| **As at March 31, 2022** | **64.79** | **(63.62)** | **1.17** |

## Note 29.6 Employee benefit obligations (continued)

The net liability disclosed above relates to following funded and unfunded plans:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Present value of funded obligations | 64.79 | 55.30 |
| Fair value of plan assets | (63.62) | (54.80) |
| **Deficit of Gratuity plan** | **1.17** | **0.50** |

### Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Discount rate | 6.09% to 6.70% | 6.06% to 6.49% |
| Attrition rate | 15.00% | 8% to 15% |
| Rate of return on plan assets | 6.09% to 6.70% | 6.06% to 6.49% |
| Salary escalation rate | 10.70% | 7.62% |

### Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

| Particulars | Change in assumptions | | Impact on defined benefit obligation | | | |
|---|---|---|---|---|---|---|
| | | | Increase in assumptions | | Decrease in assumptions | |
| | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Discount rate | 1.00% | 1.00% | (3.36%) | (4.18%) | 3.66% | 4.63% |
| Attrition rate | 1.00% | 1.00% | (0.83%) | (0.45%) | 0.89% | 0.48% |
| Rate of return on plan assets | 1.00% | 1.00% | (3.36%) | (4.18%) | 3.66% | 4.63% |
| Salary escalation rate | 1.00% | 1.00% | 3.47% | 4.52% | (3.26%) | (4.16%) |

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognised in the Consolidated Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

### Major category of plan assets are as follows:

(₹ cr)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Unquoted | in % | Unquoted | in % |
| **Government of India assets** | 1.18 | 1.85% | 1.18 | 2.15% |
| **Debt instruments** | | | | |
| Corporate bonds | 1.23 | 1.93% | 1.17 | 2.14% |
| **Investment funds** | | | | |
| Insurance funds | 55.55 | 87.32% | 52.27 | 95.38% |
| **Others** | 5.50 | 8.65% | 0.02 | 0.04% |
| **Special deposit scheme** | 0.16 | 0.25% | 0.16 | 0.29% |
| | **63.62** | **100%** | **54.80** | **100%** |

## Note 29.6 Employee benefit obligations (continued)

### Risk exposure

Through its defined benefit plans, the Group is exposed to a number of risks; the most significant of which are detailed below:

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. All deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the coming years.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets.

A large portion of assets consists insurance funds. The Group also invests in corporate bonds and special deposit scheme. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2023 are ₹ 4.80 cr.

The weighted average duration of the defined benefit obligation is six years (2020-21: six years). The expected maturity analysis of gratuity is as follows:

(₹ cr)

| Particulars | Less than a year | Between 1 - 2 years | Between 2 - 5 years | Over 5 years | Total |
|---|---|---|---|---|---|
| Expected defined benefit obligation (gratuity) | | | | | |
| As at March 31, 2022 | 11.84 | 9.89 | 29.81 | 33.28 | 84.82 |
| As at March 31, 2021 | 9.88 | 6.68 | 23.59 | 37.96 | 78.11 |

### Provident fund

In case of certain employees, the provident fund contribution is made to a trust administered by the Group. The actuary has provided a valuation of provident fund liability based on the assumptions listed below and has determined that there is no shortfall as at March 31, 2022.

(₹ cr)

| | Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|---|
| i) | Defined benefit obligation | 11.29 | 11.89 |
| ii) | Fund | 11.68 | 12.21 |
| | **Net assets \| (liabilities)** | **0.39** | **0.32** |
| iii) | Charge to the Consolidated Statement of Profit and Loss during the year (included in Note 26) | 0.24 | 0.23 |

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

| | Particulars | 2021-22 | 2020-21 |
|---|---|---|---|
| i) | Mortality rate | Indian assured lives mortality 2012-14 (Urban) | Indian assured lives mortality (2006-08) ultimate |
| ii) | Withdrawal rate | 5% p.a. for all age groups | 5% p.a. for all age groups |
| iii) | Rate of discount | 6.41% | 6.33% |
| iv) | Expected rate of interest | 8.10% | 8.50% |
| v) | Retirement age | 60 years | 60 years |
| vi) | Guaranteed rate of interest | 8.10% | 8.50% |

## Note 29.6 Employee benefit obligations (continued)

**b) Defined contribution plans**

**Provident and other funds**

Amount of ₹ 17.19 cr (March 31, 2021: ₹ 15.48 cr) {net of ₹ 0.06 cr (March 31, 2021: ₹ 0.17 cr) from the Pradhan Mantri Rojgar Protsahan Yojana} is recognised as an expense and included in Note 26 'Contribution to provident and other funds'.

**Compensated absences**

Amount of ₹ 8.83 cr (March 31, 2021 : ₹ 8.38 cr) is recognised as expense and included in Note 26 'Salaries, wages and bonus'.

**c)** The Parliament of India has approved the Code on Social Security, 2020 (the Code), which may impact the contributions by the Company towards provident fund, gratuity and ESIC. The Ministry of Labour and Employment, Government of India has released draft rules for the Code on November 13, 2020. Final rules are yet to be notified. The Company will assess the impact of the Code when it comes into effect and will record related impact, if any.

## Note 29.7 Fair value measurements

### Financial instruments by category

(₹ cr)

| Particulars | As at March 31, 2022 | | | As at March 31, 2021 | | |
|---|---|---|---|---|---|---|
| | FVTPL | FVTOCI | Amortised cost | FVTPL | FVTOCI | Amortised cost |
| **Financial assets** | | | | | | |
| Investments: | | | | | | |
| Equity instruments | - | 647.38 | - | - | 581.02 | - |
| Mutual funds | 550.08 | - | - | 740.30 | - | - |
| Government securities | - | - | 0.01 | - | - | 0.01 |
| Bonds | 113.12 | - | - | 15.40 | - | - |
| Trade receivables | - | - | 989.01 | - | - | 733.23 |
| Loans | - | - | 3.61 | - | - | 3.85 |
| Security deposits for utilities and premises | - | - | 2.91 | - | - | 2.67 |
| Interest \| Dividend receivable | - | - | 0.47 | - | - | - |
| Derivative financial assets designated as hedges (net) | - | 0.50 | - | - | 0.60 | - |
| Finance lease receivables | - | - | 6.89 | - | - | 3.58 |
| Cash and bank balances | - | - | 68.92 | - | - | 348.18 |
| Other receivables | - | - | 14.46 | - | - | 13.97 |
| **Total financial assets** | **663.20** | **647.88** | **1,086.28** | **755.70** | **581.62** | **1,105.49** |
| **Financial liabilities** | | | | | | |
| Borrowings | - | - | 138.38 | - | - | 126.67 |
| Trade payables | - | - | 634.73 | - | - | 563.13 |
| Security deposits | - | - | 31.95 | - | - | 30.94 |
| Employee benefits payable | - | - | 63.56 | - | - | 59.08 |
| Creditors for capital goods | - | - | 79.27 | - | - | 39.34 |
| Lease liabilities | - | - | 5.79 | - | - | 6.26 |
| Other liabilities | - | - | 10.26 | - | - | 9.76 |
| **Total financial liabilities** | **-** | **-** | **963.94** | **-** | **-** | **835.18** |

## Note 29.7 Fair value measurements (continued)

### a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are: a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Consolidated Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

| i) | Financial assets and liabilities measured at fair value as at March 31, 2022 | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| | **Financial assets** | | | | | |
| | Financial investments at FVTOCI: | | | | | |
| | Quoted equity shares | 6.2 | 646.15 | - | - | 646.15 |
| | Unquoted equity shares[1] | 6.2 | - | - | 1.23 | 1.23 |
| | Financial investments at FVTPL: | | | | | |
| | Bond | 6.2 | 113.12 | - | - | 113.12 |
| | Mutual funds | 6.3 | - | 550.08 | - | 550.08 |
| | Derivatives designated as hedges: | | | | | |
| | Currency options | 8 | - | 0.50 | - | 0.50 |
| | **Total financial assets** | | **759.27** | **550.58** | **1.23** | **1,311.08** |
| | **Biological assets** | | | | | |
| | Tissue culture raised date palms plants | | - | - | 37.59 | 37.59 |
| | **Total biological assets** | | **-** | **-** | **37.59** | **37.59** |

(₹ cr)

| ii) | Financial assets and liabilities measured at fair value as at March 31, 2021 | Note | Level 1 | Level 2 | Level 3 | Total |
|---|---|---|---|---|---|---|
| | **Financial assets** | | | | | |
| | Financial investments at FVTOCI: | | | | | |
| | Quoted equity shares | 6.2 | 579.79 | - | - | 579.79 |
| | Unquoted equity shares[1] | 6.2 | - | - | 1.23 | 1.23 |
| | Financial investments at FVTPL: | | | | | |
| | Bond | 6.2 | 15.40 | - | - | 15.40 |
| | Mutual funds | 6.3 | - | 740.30 | - | 740.30 |
| | Derivatives designated as hedges: | | | | | |
| | Currency options | 8 | - | 0.60 | - | 0.60 |
| | **Total financial assets** | | **595.19** | **740.90** | **1.23** | **1,337.32** |
| | **Biological assets** | | | | | |
| | Tissue culture raised date palms plants | | - | - | 30.02 | 30.02 |
| | **Total biological assets** | | **-** | **-** | **30.02** | **30.02** |

[1]Includes investments in Bharuch Enviro Infrastructure Ltd (70,000 equity shares), Narmada Clean Tech Ltd (7,15,272 equity shares) and Bhadreshwar Vidyut Pvt Ltd (formerly known as OPGS Power Gujarat Pvt Ltd, 5,03,000 equity shares), which are for operation purpose and the Company has to hold it till production site continues. The Group estimates that the fair value of these investments are not materially different as compared to its cost.

## Note 29.7 Fair value measurements (continued)

There were no transfers between any levels during the year.

**Level 1:** This includes financial instruments measured using quoted prices. The fair value of all equity instruments that are traded on the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example over-the-counter derivatives) is determined using valuation techniques, which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### b) Valuation techniques used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments,

ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Consolidated Balance Sheet date,

iii) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model,

iv) the fair value of the remaining financial instruments is determined using discounted cash flows analysis.

All of the resulting fair value estimates are included in levels 1, 2 and 3.

### c) Valuation processes

The Finance department of the Group includes a team that performs the valuations of financial assets and liabilities with assistance from independent external experts when required, for financial reporting purposes, including level 3 fair values.

### d) Fair value of financial assets and liabilities measured at amortised cost

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| | Carrying amount \| Fair value | Carrying amount \| Fair value |
| **Non-current financial assets** | | |
| Investments: | | |
| Government securities | 0.01 | 0.01 |
| Security deposits for utilities and premises | 2.91 | 2.67 |
| Finance lease receivables | 6.89 | 3.58 |
| **Total non-current financial assets** | **9.81** | **6.26** |
| **Non-current financial liabilities** | | |
| Borrowings | 61.05 | 98.21 |
| Lease liabilities | 5.79 | 6.26 |
| Other liabilities | 3.86 | 3.66 |
| **Total non-current financial liabilities** | **70.70** | **108.13** |

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

### Note 29.8 Financial risk management

Risk management is an integral part of the business practices of the Group. The framework of risk management concentrates on formalising a system to deal with the most relevant risks, building on existing management practices, knowledge and structures. With the help of a reputed international consultancy firm, the Group has developed and implemented a comprehensive risk management system to ensure that risks to the continued existence of the Group as a going concern and to its growth are identified and remedied on a timely basis. While defining and developing the formalised risk management system, leading standards and practices have been considered. The risk management system is relevant to business reality, pragmatic and simple and involves the following:

i) Risk identification and definition: Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.

ii) Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk inter-relationships.

iii) Risk assessment and prioritisation: Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.

iv) Risk mitigation: Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.

v) Risk reporting and monitoring: Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

#### a) Management of liquidity risk

The principal sources of liquidity of the Group are cash and cash equivalents, investment in mutual funds, borrowings and the cash flow that is generated from operations. It believes that the current cash and cash equivalents, tied up borrowing lines and cash flow that are generated from operations are sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Group based on contractually agreed undiscounted cash flows as at the Consolidated Balance Sheet date:

(₹ cr)

| As at March 31, 2022 | Note | Carrying amount | Less than 12 months | More than 12 months | Total |
|---|---|---|---|---|---|
| Borrowings | 16 | 138.38 | 77.33 | 61.05 | 138.38 |
| Trade payables | 20 | 634.73 | 634.73 | - | 634.73 |
| Security and other deposits | 17 | 31.95 | 31.95 | - | 31.95 |
| Employee benefits payable | 17 | 63.56 | 63.56 | - | 63.56 |
| Creditors for capital goods | 17 | 79.27 | 79.27 | - | 79.27 |
| Lease liabilities | 29.12 | 5.79 | - | 5.79 | 5.79 |
| Other liabilities | 17 | 10.26 | 6.40 | 3.86 | 10.26 |
| **As at March 31, 2021** | **Note** | **Carrying amount** | **Less than 12 months** | **More than 12 months** | **Total** |
| Borrowings | 16 | 126.67 | 28.46 | 98.21 | 126.67 |
| Trade payables | 20 | 563.13 | 563.13 | - | 563.13 |
| Security and other deposits | 17 | 30.94 | 30.94 | - | 30.94 |
| Employee benefits payable | 17 | 59.08 | 59.08 | - | 59.08 |
| Creditors for capital goods | 17 | 39.34 | 39.34 | - | 39.34 |
| Lease liabilities | 29.12 | 6.26 | - | 6.26 | 6.26 |
| Other liabilities | 17 | 9.76 | 6.10 | 3.66 | 9.76 |

## Note 29.8 Financial risk management (continued)

### b) Management of market risk

The size and operations of the Group exposes it to the following market risks that arise from its use of financial instruments:

i) price risk

ii) interest rate risk

iii) foreign exchange risk

The above risks may affect income and expenses or the value of its financial instruments. Its objective for market risk is to maintain this risk within acceptable parameters while optimising returns. The exposure to these risks and the management of these risks are explained as follows:

| | Potential impact of risk | Management policy | Sensitivity to risk |
|---|---|---|---|
| **i)** | **Price risk** | | |
| | The Group is mainly exposed to the price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments.<br>Equity price risk is related to the change in market reference price of the investments in equity securities.<br>In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified at fair value through other comprehensive income as at March 31, 2022, is ₹ 647.38 cr (March 31, 2021: ₹ 581.02 cr).<br>The fair value of mutual fund classified at fair value through profit and loss as at March 31, 2022, is ₹ 550.08 cr (March 31, 2021: ₹ 740.30 cr). | In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management Policy.<br>Any new investment or divestment must be approved by the Board, Chief Financial Officer and Risk Management Committee. | As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows:<br>For equity instruments, a 9.14% increase in Nifty 50 prices may have led to approximately an additional ₹ 18.02 cr gain in other comprehensive income (2020-21: ₹ 42.64 cr). A 9.14% decrease in Nifty 50 prices may have led to an equal but opposite effect. |
| **ii)** | **Interest rate risk** | | |
| | The Group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings.<br>As at March 31, 2022, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 27.59 cr (March 31, 2021: ₹ 6.40 cr) | In order to manage its interest rate risk arising from variable interest rate borrowings, the Group uses interest rate swaps to hedge its exposure to future market interest rates, whenever appropriate. The hedging activity is undertaken in accordance with the framework set by the Risk Management Committee and supported by the Treasury department. | As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates might have led to approximately an additional ₹ 0.07 cr (2020-21: ₹ 0.02) gain in other comprehensive income. A 25 bps decrease in interest rates might have led to an equal but opposite effect. |

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## Note 29.8 Financial risk management (continued)

| | Potential impact of risk | Management policy | Sensitivity to risk |
|---|---|---|---|
| iii) | **Foreign exchange risk** | | |
| | The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Group. The risk also includes highly probable foreign currency cash flows. The objective of the cash flows hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions. | The Group has exposure arising out of export, import, loans and other transactions other than functional risk. The Group hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Risk Management Policy of the Group. | As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Consolidated Financial Statements, the Group has calculated the impact as follows: For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date may have led to an additional ₹ 6.52 cr gain in other comprehensive income (2020-21: gain of ₹ 4.53 cr). A 2% decrease may have led to an additional ₹ 6.37 cr loss in other comprehensive income (2020-21: loss of ₹ 3.58 cr). |

### Foreign currency risk exposure

The exposure to foreign currency risk of the Group at the end of the reporting period expressed are as follows:

| Particulars | As at March 31, 2022 | | | | | |
|---|---|---|---|---|---|---|
| | US$ mn | ₹ cr | € mn | ₹ cr | £ mn | ₹ cr |
| **Financial assets** | | | | | | |
| Cash and cash equivalents (EEFC account) | 2.06 | 15.60 | - | - | - | - |
| Trade receivables | 53.92 | 408.61 | 1.37 | 11.49 | 6.15 | 61.10 |
| Less: | | | | | | |
| Hedged through derivatives[1] | | | | | | |
| Currency range options | 29.25 | 221.66 | - | - | - | - |
| **Net exposure to foreign currency risk (assets)** | **26.73** | **202.55** | **1.37** | **11.49** | **6.15** | **61.10** |
| **Financial liabilities** | | | | | | |
| Trade payables | 18.94 | 143.54 | 0.11 | 0.88 | 0.13 | 1.33 |
| **Net exposure to foreign currency risk (liabilities)** | **18.94** | **143.54** | **0.11** | **0.88** | **0.13** | **1.33** |

[1]Includes hedges for highly probable transactions up to next 12 months

| Particulars | As at March 31, 2021 | | | | | |
|---|---|---|---|---|---|---|
| | US$ mn | ₹ cr | € mn | ₹ cr | £ mn | ₹ cr |
| **Financial assets** | | | | | | |
| Cash and cash equivalents (EEFC account) | 0.16 | 1.17 | - | - | - | - |
| Trade receivables | 45.79 | 334.73 | 2.73 | 23.39 | 0.30 | 3.02 |
| Less: | | | | | | |
| Hedged through derivatives[1] | | | | | | |
| Currency range options | 7.70 | 56.29 | - | - | - | - |
| **Net exposure to foreign currency risk (assets)** | **38.25** | **279.61** | **2.73** | **23.39** | **0.30** | **3.02** |
| Financial liabilities | | | | | | |
| Trade payables | 14.84 | 108.49 | 0.09 | 0.81 | 0.21 | 2.15 |
| **Net exposure to foreign currency risk (liabilities)** | **14.84** | **108.49** | **0.09** | **0.81** | **0.21** | **2.15** |

[1]Includes hedges for highly probable transactions up to next 12 months

Note 29.8 Financial risk management (continued)

### c) Management of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

**Trade receivables**

Concentrations of credit risk with respect to trade receivables are limited due to the customer base being large, diverse and across sectors and countries. A portion of trade receivables are secured by insurance policies or Export Credit Guarantee Corporation schemes. All trade receivables are reviewed and assessed for default on a quarterly basis.

### Reconciliation of loss allowance provision – trade receivables

(₹ cr)

| Particulars | Loss allowance on trade receivables |
|---|---|
| **Loss allowance as on March 31, 2020** | **10.31** |
| Changes in loss allowance | 1.85 |
| **Loss allowance as on March 31, 2021** | **12.16** |
| Changes in loss allowance | 0.57 |
| **Loss allowance as on March 31, 2022** | **12.73** |

### Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, mutual funds, bonds and loans to subsidiary companies. It has a diversified portfolio of investment with various number of counterparties that have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by its Treasury department.

### Impact of hedging activities

### a) Disclosure of effects of hedge accounting on financial position

### As at March 31, 2022

(₹ cr)

| Type of hedge and risks | Notional value | | Carrying amount of hedging instrument | | Maturity (months) | Weighted average strike price \| interest rate | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | | |
| **Cash flow hedge** | | | | | | | | |
| **₹ : US$** | | | | | | | | |
| **Foreign exchange risk** | | | | | | | | |
| Currency range options | 221.66 | - | 0.50 | - | 1-12 | 75.71-80.09 | 0.50 | (0.50) |

## Note 29.8 Financial risk management (continued)

### As at March 31, 2021

(₹ cr)

| Type of hedge and risks | Notional value | | Carrying amount of hedging instrument | | Maturity (months) | Weighted average strike price \| interest rate | Changes in fair value of hedging instrument | Changes in the value of hedged item used as the basis for recognising hedge effectiveness |
|---|---|---|---|---|---|---|---|---|
| | Assets | Liabilities | Assets | Liabilities | | | | |
| **Cash flow hedge** | | | | | | | | |
| **₹ : US$** | | | | | | | | |
| **Foreign exchange risk** | | | | | | | | |
| Currency range options | 56.29 | - | 0.60 | - | 1-12 | 74.26-77.80 | 0.60 | (0.60) |

### b) Disclosure of effects of hedge accounting on financial performance

### As at March 31, 2022

(₹ cr)

| Type of hedge | Changes in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedging reserve to profit or loss | Financial Statement line item affected |
|---|---|---|---|---|
| **Cash flow hedge** | | | | |
| Foreign exchange risk | 0.50 | | 0.60 | Trade receivables and payables |

### As at March 31, 2021

(₹ cr)

| Type of hedge | Changes in the value of the hedging instrument recognised in other comprehensive income | Hedge ineffectiveness recognised in profit or loss | Amount reclassified from cash flow hedging reserve to profit or loss | Financial Statement line item affected |
|---|---|---|---|---|
| **Cash flow hedge** | | | | |
| Foreign exchange risk | 0.60 | - | (1.62) | Trade receivables and payables |

### Movements in cash flow hedging reserve

(₹ cr)

| Risk category | Foreign currency risk | |
|---|---|---|
| **Derivative instruments** | **As at March 31, 2022** | **As at March 31, 2021** |
| **Balance at the beginning of the year** | **0.43** | **(1.64)** |
| Gain \| (loss) recognised in other comprehensive income during the year | 0.50 | 0.60 |
| Amount reclassified to revenue during the year | (0.60) | 1.62 |
| Tax impact on above | (0.15) | (0.15) |
| **Balance at the end of the year** | **0.18** | **0.43** |

## Note 29.9 Capital management

### Risk Management

The primary objective of capital management of the Group is to maximise shareholder value. The Group monitors capital using debt-equity ratio, which is total debt divided by total equity.

For the purpose of capital management, the Group considers the following components of its Consolidated Balance Sheet to manage capital:

Total equity includes general reserve, retained earnings and share capital. Total debt includes current debt plus non-current debt.

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Total debt | 138.38 | 126.67 |
| Total equity | 4,428.96 | 3,826.52 |
| Debt-equity ratio | 0.03 | 0.03 |

## Note 29.10 Offsetting financial assets and liabilities

The Group has not offset any financial asset and financial liability. The Group offsets a financial asset and a financial liability when it currently has a legal enforceable right to set-off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### a) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements are considered as terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Consolidated Balance Sheet.

### b) Collateral against borrowings

The Group has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit, (refer Note 16 (e) for further information on assets hypothecated | mortgaged as security). In case of default as per borrowing arrangement, such collateral can be adjusted against the amounts due.

## Note 29.11 Earnings per share

Earnings per share (EPS) - The numerators and denominators used to calculate basic and diluted EPS:

| Particulars | | 2021-22 | 2020-21 |
|---|---|---|---|
| Profit for the year attributable to the equity shareholders | ₹ cr | 604.74 | 660.02 |
| Weighted average number of equity shares used in calculating basic \| diluted EPS[1] | Number | 2,95,87,051 | 2,96,49,628 |
| Nominal value of equity share | ₹ | 10 | 10 |
| Basic and diluted EPS | ₹ | 204.23 | 221.17 |

[1]The Group completed its share buy-back on February 19, 2021, during the previous year.

## Note 29.12 Leases

### a) As a lessee

### i) Following are the changes in the carrying value of right-of-use assets:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **5.92** | **6.53** |
| Depreciation \| Amortisation | (0.65) | (0.61) |
| **Balance at the end of the year** | **5.27** | **5.92** |

### ii) Following movement in lease liabilities:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| **Balance at the beginning of the year** | **6.27** | **6.71** |
| Finance cost accrued | 0.34 | 0.35 |
| Payment of lease liabilities | (0.83) | (0.78) |
| Translation difference | 0.01 | (0.01) |
| **Balance at the end of the year** | **5.79** | **6.27** |

### iii) The following table provides details regarding the contractual maturities of lease liabilities on an undiscounted basis:

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Less than one year | 0.82 | 0.46 |
| One to five years | 4.30 | 2.79 |
| More than five years | 3.00 | 4.95 |
| **Total** | **8.12** | **8.20** |

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Rent paid to lessor for short-term lease period is recognised into the Consolidated Statement of Profit and Loss as Rent in Note 28 'Other expenses'.

Cash payments for the principal portion and interest of the lease liabilities are classified within financing activities and short-term lease payments within operating activities.

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## Note 29.12 Leases (continued)

### b) As a lessor

#### i) Operating lease

The Group has entered into operating leases on its office buildings and land. These are cancellable by the Group, having a term between 11 months and three years and have no specific obligation for renewal. Rents received are recognised in the Consolidated Statement of Profit and Loss as lease income in Note 23 'Other income'.

#### ii) Finance lease

The Group has given a building on finance lease for a term of 30 years and a machine for a term of 10 years.

Future minimum lease payments receivable under finance leases, together with the present value of the net minimum lease payments (MLP), are as under:

(₹ cr)

| Particulars | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|
| | Minimum lease payments receivable | Present value of MLP receivable | Minimum lease payments receivable | Present value of MLP receivable |
| Not later than 1 year | 0.91 | 0.87 | 0.56 | 0.54 |
| Later than 1 year and not later than 5 years | 4.07 | 3.15 | 1.84 | 1.42 |
| Later than 5 years | 5.50 | 2.87 | 3.34 | 1.62 |
| **Total MLP receivable** | **10.48** | **6.89** | **5.74** | **3.58** |
| Less: unearned finance income | 3.59 | - | 2.16 | - |
| **Present value of MLP receivable** | **6.89** | **6.89** | **3.58** | **3.58** |
| Less: allowance for uncollectible lease payments | - | - | - | - |
| | **6.89** | **6.89** | **3.58** | **3.58** |

## Note 29.13 Rounding off

Figures less than ₹ 50,000 have been shown at actual in brackets.

## Note 29.14 Buy-back of shares

In accordance with the provisions contained in the SEBI (Buy-back of Securities) Regulations, 2018 and the Companies Act, 2013 and rules made thereunder, the Board in its meeting held on March 25, 2022 (2020-21: January 29, 2021) has approved a proposal to buy-back fully paid-up equity shares of face value of ₹ 10 each of the Company, at a price not exceeding ₹ 11,000 per equity share (2020-21: ₹ 7,250 per equity share) (maximum buy-back price) and for an amount not exceeding ₹ 70 cr (2020-21: ₹ 50 cr) (maximum buy-back size) from the open market through stock exchange mechanism.

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Date of Board meeting approving the buy-back | March 25, 2022 | January 29, 2021 |
| Date of public announcement | March 29, 2022 | February 01, 2021 |
| Buy-back opening date | April 07, 2022 | February 10, 2021 |
| Number of shares bought back | * | 74,682 |
| Face value of shares bought back | ₹ 10 | ₹ 10 |
| Maximum buy-back price approved by Board | ₹ 11,000 | ₹ 7,250 |
| Transferred to capital redemption reserve | - | ₹ 0.07 cr |
| Consideration paid towards buy-back | * | ₹ 49.88 cr |

*Buy-back process to be completed in Q1 2022-23.

## Note 29.15 Interests in other entities

### a) Subsidiary companies

The subsidiary companies of the Group at March 31, 2022, are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of the entity | Principal activity | Place of business \| country of incorporation | Ownership interest held by the Group | | Ownership interest held by the non-controlling interest | |
|---|---|---|---|---|---|---|
| | | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| | | | % | % | % | % |
| Aaranyak Urmi Ltd | Food products | India | 100% | 100% | - | - |
| Aasthan Dates Ltd | Agri products | India | 100% | 100% | - | - |
| Amal Ltd | Chemicals | India | 49.86% | 49.86% | 50.14% | 50.14% |
| Amal Speciality Chemicals Ltd | Chemicals | India | 49.86% | 49.86% | 50.14% | 50.14% |
| Anchor Adhesives Pvt Ltd | Chemicals | India | 100% | 100% | - | - |
| Atul Aarogya Ltd | Healthcare products | India | 100% | 100% | - | - |
| Atul Ayurveda Ltd | Ayurvedic products | India | 100% | 100% | - | - |
| Atul Bioscience Ltd | Chemicals | India | 100% | 100% | - | - |
| Atul Biospace Ltd | Agri products | India | 100% | 100% | - | - |
| Atul Brasil Qumicos Ltda | Chemicals | Brasil | 100% | 100% | - | - |
| Atul China Ltd | Chemicals | China | 100% | 100% | - | - |
| Atul Clean Energy Ltd | Renewable energy | India | 100% | 100% | - | - |
| Atul Crop Care Ltd | Agri products | India | 100% | 100% | - | - |
| Atul Deutschland GmbH | Chemicals | Germany | 100% | 100% | - | - |
| Atul Entertainment Ltd | Entertainment | India | 100% | 100% | - | - |
| Atul Europe Ltd | Chemicals | UK | 100% | 100% | - | - |
| Atul Finserv Ltd | Investments | India | 100% | 100% | - | - |
| Atul Fin Resource Ltd | Finance | India | 100% | 100% | - | - |
| Atul Healthcare Ltd | Hospitality | India | 100% | 100% | - | - |
| Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | Polymers | India | 100% | 100% | - | - |
| Atul Hospitality Ltd | Hospitality | India | 100% | 100% | - | - |
| Atul Infotech Pvt Ltd | Information Technology | India | 100% | 100% | - | - |
| Atul Ireland Ltd | Chemicals | Ireland | 100% | 100% | - | - |
| Atul Lifescience Ltd | Chemicals | India | 100% | 100% | - | - |
| Atul Middle East FZ-LLC | Chemicals | UAE | 100% | 100% | - | - |
| Atul Natural Dyes Ltd | Chemicals | India | 100% | 100% | - | - |
| Atul Natural Foods Ltd | Food products | India | 100% | 100% | - | - |
| Atul Nivesh Ltd | Investments | India | 100% | 100% | - | - |
| Atul Paints Ltd | Chemicals | India | 100% | 100% | - | - |
| Atul Polymers Products Ltd | Polymers | India | 100% | 100% | - | - |
| Atul Products Ltd | Chemicals | India | 100% | 100% | - | - |
| Atul Rajasthan Date Palms Ltd | Agri products | India | 74% | 74% | 26% | 26% |
| Atul Renewable Energy Ltd | Renewable energy | India | 100% | 100% | - | - |
| Atul (Retail) Brands Ltd | Retail | India | 100% | 100% | - | - |
| Atul Seeds Ltd | Agri products | India | 100% | 100% | - | - |
| Atul USA Inc | Chemicals | USA | 100% | 100% | - | - |
| Biyaban Agri Ltd | Agri products | India | 100% | 100% | - | - |
| DPD Ltd | Agri products | UK | 98% | 98% | 2% | 2% |

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## Note 29.15 Interests in other entities (continued)

| Name of the entity | Principal activity | Place of business \| country of incorporation | Ownership interest held by the Group | | Ownership interest held by the non-controlling interest | |
|---|---|---|---|---|---|---|
| | | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| | | | % | % | % | % |
| Jayati Infrastructure Ltd | Infrastructure | India | 100% | 100% | - | - |
| Osia Dairy Ltd | Dairy | India | 100% | 100% | - | - |
| Osia Infrastructure Ltd | Infrastructure | India | 100% | 100% | - | - |
| Raja Dates Ltd | Agri products | India | 100% | 100% | - | - |
| Sehat Foods Ltd | Food products | India | 100% | - | - | - |

The Group holds 49.86% of equity share capital of Amal Ltd. Based on facts and circumstances including dispersion of holdings of other shareholders, common promoters of both the companies, operational dependency on the Company, the Group has concluded that Atul Ltd continues to control Amal Ltd as it has existing rights that give it the current ability to direct relevant activities of Amal Ltd.

### b) Non-controlling interests (NCI)

Set out below the summarised financial information for the subsidiary company, which has non-controlling interests that are material to the Group. The amounts disclosed for the subsidiary company are before inter-company eliminations.

(₹ cr)

| Summarised Balance Sheet | Amal Ltd | |
|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 |
| Current assets | 4.81 | 26.10 |
| Current liabilities | 9.04 | 7.41 |
| **Net current assets** | **(4.23)** | **18.69** |
| Non-current assets | 63.77 | 40.15 |
| Non-current liabilities | 1.14 | 2.87 |
| **Net non-current assets** | **62.63** | **37.28** |
| **Net assets** | **58.40** | **55.97** |
| **Accumulated NCI** | **29.12** | **27.91** |

(₹ cr)

| Summarised Statement of Profit and Loss | Amal Ltd | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Revenue | 45.30 | 31.66 |
| Profit for the year | 2.43 | 8.85 |
| Other comprehensive income | (0.01) | (0.01) |
| Total comprehensive income | 2.41 | 8.84 |
| Profit allocated to NCI | 1.21 | 4.43 |
| Dividends paid to NCI | - | - |

## Note 29.15 Interests in other entities (continued)

(₹ cr)

| Summarised cash flows | Amal Ltd | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Cash flows from operating activities | 4.91 | 5.72 |
| Cash flows from investing activities | (3.77) | (4.83) |
| Cash flows from financing activities | (1.22) | (1.01) |
| Net increase \| (decrease) in cash and cash equivalents | (0.08) | (0.12) |

### c) Interests in joint venture company accounted using the equity method

(₹ cr)

| Name of the entity | Place of business \| country of incorporation | % of ownership interest | Relationship | Quoted fair value | | Carrying amount | |
|---|---|---|---|---|---|---|---|
| | | | | As at March 31, 2022 | As at March 31, 2021 | As at March 31, 2022 | As at March 31, 2021 |
| Rudolf Atul Chemicals Ltd | India | 50% | Joint venture | * | * | 28.11 | 24.32 |
| **Total** | | | | | | **28.11** | **24.32** |

*Note: Unlisted entity - no quoted price available

### Rudolf Atul Chemicals Ltd

The Group acquired 50% interest in Rudolf Atul Chemicals Ltd (RACL), a joint venture company in India between IB Industriechemie Beteiligungs GmbH (Germany) and Atul Ltd on August 18, 2011. RACL is engaged in the business of manufacturing and marketing textile chemicals. As per the contractual arrangement between the shareholders of RACL, both the companies have significant participating rights such that they jointly control the operations of the joint venture company.

### i) Commitments and contingent liabilities in respect of the joint venture company

(₹ cr)

| Particulars | As at March 31, 2022 | As at March 31, 2021 |
|---|---|---|
| Share in contingent liabilities in respect of disputed demands for income tax | 0.32 | 0.32 |
| **Total commitments and contingent liabilities** | **0.32** | **0.32** |

### ii) Summarised financial information in respect of the joint venture company

The tables below provide summarised financial information in respect of the joint venture company that are material to the Group. The information disclosed are as presented in the Financial Statements of the joint venture company. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

## Note 29.15 Interests in other entities (continued)

(₹ cr)

| Summarised Balance Sheet | Rudolf Atul Chemicals Ltd | |
|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 |
| **Current assets** | | |
| Cash and cash equivalents | 15.67 | 14.01 |
| Other assets | 46.57 | 35.26 |
| **Total current assets** | **62.24** | **49.27** |
| **Total non-current assets** | **10.56** | **18.14** |
| **Current liabilities** | | |
| Financial liabilities (excluding trade payables) | 3.42 | 2.81 |
| Other liabilities | 11.63 | 14.43 |
| **Total current liabilities** | **15.05** | **17.24** |
| **Non-current liabilities** | | |
| Financial liabilities (excluding trade payables) | 1.15 | 1.22 |
| Other liabilities | 0.42 | 0.33 |
| **Total non-current liabilities** | **1.57** | **1.55** |
| **Net assets** | **56.18** | **48.62** |

(₹ cr)

| Reconciliation to carrying amounts | Rudolf Atul Chemicals Ltd | |
|---|---|---|
| | As at March 31, 2022 | As at March 31, 2021 |
| Opening net assets | 48.63 | 37.07 |
| Profit for the year | 16.39 | 14.54 |
| Other comprehensive income | (0.05) | (0.06) |
| Dividends paid | (8.76) | (2.92) |
| **Closing net assets** | **56.21** | **48.63** |
| Share of Group in % | 50% | 50% |
| Share of Group in ₹ | 28.11 | 24.32 |
| **Carrying amount** | **28.11** | **24.32** |

**Summarised Statement of Profit and Loss** (₹ cr)

| Reconciliation to carrying amounts | Rudolf Atul Chemicals Ltd | |
|---|---|---|
| | 2021-22 | 2020-21 |
| Revenue | 121.16 | 88.88 |
| Interest income | 1.37 | 1.25 |
| Depreciation and amortisation | 0.47 | 0.45 |
| Interest expense | 0.14 | 0.15 |
| Income tax expense | 5.38 | 4.81 |
| **Profit for the year** | **16.39** | **13.79** |
| Other comprehensive income | (0.05) | (0.06) |
| **Total comprehensive income** | **16.34** | **13.73** |
| Dividends received | 4.38 | 1.46 |

## Note 29.15 Interests in other entities (continued)

### d) Interests in joint operation

| Name of the entity | Principal activity | Place of business \| country of incorporation | Ownership interest held by the Group | |
|---|---|---|---|---|
| | | | As at March 31, 2022 | As at March 31, 2021 |
| | | | % | % |
| Anaven LLP | Chemicals | India | 50% | 50% |

## Note 29.16 Segment information

### a) Description of segments and principal activities

The Group has determined the following reporting segments, based on the information reviewed by the Chief Operating Decision Maker:

| Name of segment | Product groups |
|---|---|
| Life Science Chemicals | APIs, API Intermediates, Fungicides, Herbicides |
| Performance and Other Chemicals | Adhesion promoters, Bulk chemicals, Epoxy resins and hardeners, Intermediates, Perfumery chemicals, Textile dyes |
| Others | Agribiotech, Food products, Services |

### b) Operating segment

(₹ cr)

| | Particulars | Life Science Chemicals | | Performance and Other Chemicals | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| i) | Segment revenue | | | | | | | | |
| | Gross sales | 1,465.10 | 1,216.37 | 3,759.18 | 2,621.88 | 69.98 | 48.48 | 5,294.26 | 3,886.73 |
| | Less: Inter-segment revenue | 0.44 | 0.28 | 212.93 | 154.98 | - | - | 213.37 | 155.26 |
| | Net revenue from operations | 1,464.66 | 1,216.09 | 3,546.25 | 2,466.90 | 69.98 | 48.48 | 5,080.89 | 3,731.47 |
| ii) | Segment results | | | | | | | | |
| | Profit before finance cost and tax | 178.88 | 219.57 | 575.89 | 594.16 | 24.43 | 11.30 | 779.20 | 825.03 |
| | Less: Finance costs | | | | | | | 9.17 | 9.35 |
| | Less: Other unallocable expenditure (net of unallocable income) | | | | | | | (31.55) | (58.75) |
| | Add: Share of net profit of joint venture company | | | | | | | 8.16 | 7.25 |
| | Profit before tax | | | | | | | 809.74 | 881.68 |

## Note 29.16 Segment information (continued)

(₹ cr)

| | Particulars | Life Science Chemicals | | Performance and Other Chemicals | | Others | | Total | |
|---|---|---|---|---|---|---|---|---|---|
| | | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| iii) | Other information | | | | | | | | |
| | Segment assets | 1,043.00 | 843.20 | 2,470.28 | 1,991.70 | 167.25 | 130.83 | 3,680.53 | 2,965.73 |
| | Unallocated common assets | | | | | | | 2,025.82 | 1,971.47 |
| | Total assets | | | | | | | 5,706.35 | 4,937.20 |
| | Segment liabilities | 284.69 | 290.71 | 652.11 | 579.32 | 47.36 | 37.38 | 984.16 | 907.41 |
| | Unallocated common liabilities | | | | | | | 262.35 | 172.64 |
| | Total liabilities | | | | | | | 1,246.51 | 1,080.05 |
| | Additions to assets and intangible assets | 105.85 | 52.95 | 524.12 | 247.58 | 6.79 | 3.17 | 636.76 | 303.70 |
| | Unallocated additions to assets and intangible assets | | | | | | | 3.69 | 0.95 |
| | Total capital expenditure* | | | | | | | 640.45 | 304.65 |
| | Depreciation | 45.96 | 39.94 | 123.05 | 89.64 | 4.12 | 3.60 | 173.13 | 133.18 |
| | Unallocated depreciation | | | | | | | 3.56 | 3.14 |
| | Total depreciation | | | | | | | 176.69 | 136.32 |

### c) Geographical segment

(₹ cr)

| Particulars | In India | | Outside India | | Total | |
|---|---|---|---|---|---|---|
| | 2021-22 | 2020-21 | 2021-22 | 2020-21 | 2021-22 | 2020-21 |
| Segment revenue | 2,525.88 | 1,964.38 | 2,555.01 | 1,767.09 | 5,080.89 | 3,731.47 |
| Carrying cost of assets by location of assets | 5,343.32 | 4,636.70 | 363.03 | 300.50 | 5,706.35 | 4,937.20 |
| Additions to assets and intangible assets* | 640.45 | 304.65 | - | - | 640.45 | 304.65 |

*Including capital work-in-progress and capital advances

### d) Revenue from major customers

The Group is not reliant on revenues from transactions with any single external customer and does not receive 10% or more of its revenues from transactions with any single external customer.

### e) Other disclosures

i) The Group has disclosed business segment as the operating segment, which has been identified in line with the Ind AS 108 'Operating Segments' taking into account the organisation structure as well as the differing risks and returns.

ii) The segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

iii) The Group accounts for inter-segment sales and transfers at market price.

## Note 29.17 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013

| No. | Name of entity | Net assets | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets | Amount (₹ cr) | As % of consolidated profit and (loss) | Amount (₹ cr) | As % of consolidated other comprehensive income | Amount (₹ cr) | As % of consolidated total comprehensive income | Amount (₹ cr) |
| | **Parent company** | | | | | | | | |
| 01. | Atul Ltd | 88.95% | 4,316.38 | 90.72% | 571.77 | 98.90% | 57.28 | 91.41% | 629.05 |
| | **Indian subsidiary companies** | | | | | | | | |
| 01. | Aaranyak Urmi Ltd | - | 0.10 | (0.01%) | (0.06) | - | - | (0.01%) | (0.06) |
| 02. | Aasthan Dates Ltd | 0.04% | 1.75 | (0.00%) | (0.01) | - | - | (0.00%) | (0.01) |
| 03. | Amal Ltd | 0.76% | 36.78 | 0.39% | 2.43 | (0.02%) | (0.01) | 0.35% | 2.42 |
| 04. | Amal Speciality Chemicals Ltd | 0.09% | 4.36 | (0.09%) | (0.57) | - | - | (0.08%) | (0.57) |
| 05. | Anchor Adhesives Pvt Ltd | 0.01% | 0.51 | 0.00% | 0.02 | - | - | - | 0.02 |
| 06. | Atul Aarogya Ltd | - | 0.14 | - | - | - | - | - | - |
| 07. | Atul Ayurveda Ltd | - | 0.10 | - | - | - | - | - | - |
| 08. | Atul Bioscience Ltd | 1.47% | 71.52 | (0.27%) | (1.73) | (0.16%) | (0.09) | (0.27%) | (1.82) |
| 09. | Atul Biospace Ltd | 0.37% | 17.89 | 0.13% | 0.80 | - | - | 0.12% | 0.80 |
| 10. | Atul Clean Energy Ltd | - | 0.09 | - | - | - | - | - | - |
| 11. | Atul Crop Care Ltd | 0.08% | 4.08 | 0.12% | 0.75 | (0.16%) | (0.09) | 0.10% | 0.66 |
| 12. | Atul Entertainment Ltd | - | 0.09 | - | - | - | - | - | - |
| 13. | Atul Finserv Ltd | 2.30% | 111.51 | 0.05% | 0.32 | 0.14% | 0.08 | 0.06% | 0.40 |
| 14. | Atul Fin Resources Ltd | 0.41% | 19.73 | 0.09% | 0.59 | 1.00% | 0.58 | 0.17% | 1.17 |
| 15. | Atul Healthcare Ltd | - | 0.10 | - | - | - | - | - | - |
| 16. | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | 0.07% | 3.38 | 0.10% | 0.60 | (0.16%) | (0.09) | 0.07% | 0.51 |
| 17. | Atul Hospitality Ltd | - | 0.08 | - | - | - | - | - | - |
| 18. | Atul Infotech Pvt Ltd | 0.42% | 20.59 | (0.02%) | (0.11) | (0.09%) | (0.05) | (0.02%) | (0.16) |
| 19. | Atul Lifescience Ltd | - | - | - | - | - | - | - | - |
| 20. | Atul Natural Dyes Ltd | - | 0.01 | - | - | - | - | - | - |
| 21. | Atul Natural Foods Ltd | - | 0.01 | - | - | - | - | - | - |
| 22. | Atul Nivesh Ltd | 0.07% | 3.20 | 0.03% | 0.19 | - | - | 0.03% | 0.19 |
| 23. | Atul Paints Ltd | - | 0.01 | - | - | - | - | - | - |
| 24. | Atul Polymers Products Ltd | - | (0.07) | - | - | - | - | - | - |
| 25. | Atul Products Ltd | 0.08% | 3.89 | (0.16%) | (1.03) | - | - | (0.15) | (1.03) |
| 26. | Atul Rajasthan Date Palms Ltd | 0.13% | 6.27 | (0.24%) | (1.52) | (0.02%) | (0.01) | (0.22%) | (1.53) |
| 27. | Atul Renewable Energy Ltd | - | 0.01 | - | - | - | - | - | - |
| 28. | Atul (Retail) Brands Ltd | - | 0.09 | - | - | - | - | - | - |
| 29. | Atul Seeds Ltd | 0.00% | 0.08 | - | - | - | - | - | - |
| 30. | Biyaban Agri Ltd | 0.01% | 0.53 | - | 0.01 | - | - | - | 0.01 |
| 31. | Jayati Infrastructure Ltd | - | 0.08 | - | - | - | - | - | - |
| 32. | Osia Dairy Ltd | - | 0.08 | - | - | - | - | - | - |
| 33. | Osia Infrastructure Ltd | 0.14% | 6.86 | 0.49% | 3.11 | - | - | 0.45% | 3.11 |
| 34. | Raja Dates Ltd | 0.07% | 3.55 | (0.01%) | (0.05) | - | - | (0.01%) | (0.05) |
| 35. | Sehat Foods Ltd | - | 0.10 | - | - | - | - | - | - |

## Note 29.17 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013 (continued)

| No. | Name of entity | Net assets | | Share in profit or loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|---|
| | | As % of consolidated net assets | Amount (₹ cr) | As % of consolidated profit and (loss) | Amount (₹ cr) | As % of consolidated other comprehensive income | Amount (₹ cr) | As % of consolidated total comprehensive income | Amount (₹ cr) |
| | **Foreign subsidiary companies** | | | | | | | | |
| 01. | Atul Brasil Quimicos Ltda | 0.04% | 1.74 | 0.06% | 0.37 | 0.54% | 0.31 | 0.10% | 0.68 |
| 02. | Atul China Ltd | 0.26% | 12.69 | 0.58% | 3.63 | 1.23% | 0.71 | 0.63% | 4.34 |
| 03. | Atul Deutschland GmbH | 0.01% | 0.32 | (0.01%) | (0.05) | (0.02%) | (0.01) | (0.01%) | (0.06) |
| 04. | Atul Europe Ltd | 1.21% | 58.58 | 2.86% | 18.01 | (1.80%) | (1.04) | 2.47% | 16.97 |
| 05. | Atul Ireland Ltd | 0.00% | (0.22) | (0.03%) | (0.18) | 0.02% | 0.01 | (0.02%) | (0.17) |
| 06. | Atul Middle East FZ LLC | 0.08% | 3.78 | 0.29% | 1.84 | 0.17% | 0.10 | 0.28% | 1.94 |
| 07. | Atul USA Inc | 0.85% | 41.35 | 1.25% | 7.89 | 1.97% | 1.14 | 1.31% | 9.03 |
| 08. | DPD Ltd | 0.81% | 39.47 | 2.54% | 15.99 | (1.55%) | (0.90) | 2.19% | 15.09 |
| | **Joint venture company (investment as per the equity method)** | | | | | | | | |
| 01. | Rudolf Atul Chemicals Ltd | - | - | 1.29% | 8.16 | - | - | 1.19% | 8.16 |
| | **Joint operation** | | | | | | | | |
| 01. | Anaven LLP | 1.26% | 60.94 | (0.14%) | (0.90) | - | - | (0.13%) | (0.90) |
| | **Total (A)** | **100%** | **4,852.53** | **100%** | **630.27** | **100%** | **57.92** | **100%** | **688.19** |
| | **a) Adjustment arising out of consolidation** | | **(423.56)** | | **(25.77)** | | **0.13** | | **(25.64)** |
| | **b) Non-controlling interests** | | | | | | | | |
| 01. | Amal Ltd | | 28.49 | | 0.55 | | - | | 0.55 |
| 02. | Atul Rajasthan Date Palms Ltd | | 1.63 | | (0.40) | | - | | (0.40) |
| 03. | DPD Ltd | | 0.75 | | 0.10 | | - | | 0.10 |
| | | | **30.87** | | **0.25** | | **-** | | **0.25** |
| | **Total (B)** | | **(392.69)** | | **(25.52)** | | **0.13** | | **(25.39)** |
| | **Grand Total (A+B)** | | **4,459.84** | | **604.75** | | **58.05** | | **662.80** |

## Note 29.18 Relationship with struck off companies

| No. | Name of struck off company | Nature of transactions with struck off company | As at March 31, 2022 | | As at March 31, 2021 | |
|---|---|---|---|---|---|---|
| | | | Balance | Relationship | Balance | Relationship |
| 01. | Om Industries | Receivable | 0.10 | Customer | 0.10 | Customer |
| 02. | Ozma Rubbers | Receivable | 0.07 | Customer | 0.07 | Customer |
| 03. | Renuka Enterprises | Receivable | 0.02 | Customer | 0.02 | Customer |
| 04. | Omm Traders | Receivable | 0.01 | Customer | 0.01 | Customer |
| 05. | Shivani Enterprises | Receivable | 0.01 | Customer | 0.01 | Customer |
| 06. | Sawariya Trading Company | Receivable | 0.01 | Customer | 0.01 | Customer |
| 07. | C K Marketing | Receivable | * | Customer | * | Customer |
| 08. | Varman Seed Company | Receivable | * | Customer | * | Customer |
| 09. | Azad Pesticides & Fertilizers | Receivable | * | Customer | * | Customer |
| 10. | Satya Sai Traders | Receivable | * | Customer | * | Customer |
| 11 | Pms Trading Co | Receivable | * | Customer | * | Customer |
| 12. | Arora Seed Store | Receivable | * | Customer | * | Customer |
| 13. | Sri Palani Andavar Stores | Receivable | * | Customer | * | Customer |
| 14. | Bhavani Agro Agencies | Receivable | * | Customer | * | Customer |
| 15. | Sri Siddhi Krishi Paramarsh Kendra | Receivable | * | Customer | * | Customer |
| 16. | Jai Kisan Traders Fertilizers Pesticides And Seeds | Receivable | * | Customer | * | Customer |
| 17. | Vishnu Agencies Anantapur | Receivable | * | Customer | * | Customer |
| 18. | Swami Pesticides | Receivable | * | Customer | * | Customer |
| 19. | Reliance Cement Company Pvt Ltd | Receivable | * | Customer | * | Customer |
| 20. | Parag Agro Sales | Receivable | * | Customer | * | Customer |
| 21. | Shri Vinayaka Agro Kendra | Receivable | * | Customer | * | Customer |
| 22. | Raheja Pesticides | Receivable | * | Customer | * | Customer |
| 23. | G H Trading Co | Receivable | * | Customer | * | Customer |
| 24. | Bhagwati Enterprises | Receivable | * | Customer | * | Customer |
| 25. | Kamboj Chemicals | Receivable | * | Customer | * | Customer |
| 26. | Kushwaha Bio Tech | Receivable | * | Customer | * | Customer |
| 27. | Rainbow Agencies | Receivable | * | Customer | * | Customer |
| 28. | Kang Agro Centre | Receivable | * | Customer | * | Customer |
| 29. | Aashirwad Traders | Receivable | * | Customer | * | Customer |
| 30. | Ankush Trading Company | Receivable | * | Customer | * | Customer |
| | | | **0.22** | | **0.22** | |

*Figures less than ₹ 50,000.

## Note 29.19 Events after the reporting period

An incident of fire occurred on April 20, 2022, in one of the plants at Atul, Gujarat. Damage was restricted to that plant, and there was no injury or casualty of any individual. The Company is in the process of assessing the impact of this fire on the plant and related operations and filing necessary insurance claims. This subsequent non-adjusting event does not impact these financial results.

## Note 29.20 Authorisation for issue of the Consolidated Financial Statements

The Consolidated Financial Statements were authorised for issue by the Board of Directors on April 26, 2022.

In terms of our report attached

**For Deloitte Haskins & Sells LLP**
Chartered Accountants

Ketan Vora
**Partner**

Mumbai
April 26, 2022

For and on behalf of the Board of Directors

T R Gopi Kannan
(DIN:00048645)
**Whole-time Director and CFO**

L P Patni
**Company Secretary**

B N Mohanan
(DIN:00198716)
**Whole-time Director and President - U&S**

R A Shah
(DIN:00009851)

B S Mehta
(DIN:00035019)

S M Datta
(DIN:00032812)

V S Rangan
(DIN:00030248)

M M Chitale
(DIN:00101004)

S A Panse
(DIN:02599310)

B R Arora
(DIN:00194168)
**Directors**

S S Lalbhai
(DIN:00045590)
**Chairman and Managing Director**

S A Lalbhai
(DIN:00009278)
**Managing Director**

Mumbai
April 26, 2022

## Form AOC - I

**{Pursunat to the first proviso to Sub-section (3) of Section 129 read with Rule 5 of the Companies (Accounts) Rules, 2014}**

## Statement containing salient features of the Financial Statements of subsidiaries, associates and joint arrangements

### Part A: Subsidiary companies

(₹ cr)

| No. | Name of the entity | Reporting period for the concerned subsidiary company, if different from that of holding company | Reporting currency and exchange rate as on date of the relevant financial year in case of foreign subsidiary companies | | Equity share capital | Reserves and surplus | Total assets | Total liabilities | Investments | Revenue | Profit before tax | Provision for tax | Profit after tax | Dividend | % Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Currency | Exchange rate | | | | | | | | | | | |
| 01. | Aaranyak Urmi Ltd | NA | NA | NA | 0.21 | (0.10) | 0.37 | 0.26 | - | 0.33 | (0.09) | (0.02) | (0.07) | - | 100% |
| 02. | Aasthan Dates Ltd | NA | NA | NA | 2.10 | (0.35) | 1.75 | - | - | 0.04 | (0.01) | - | (0.01) | - | 100% |
| 03. | Amal Ltd | NA | NA | NA | 9.43 | 27.35 | 46.96 | 10.18 | 5.43 | 43.28 | 3.32 | 0.90 | 2.43 | - | 49.85% |
| 04. | Amal Speciality Chemicals Ltd | NA | NA | NA | 5.00 | (0.64) | 85.04 | 80.68 | - | - | (0.56) | 0.01 | (0.57) | - | 49.85% |
| 05. | Anchor Adhesives Pvt Ltd | NA | NA | NA | 0.59 | (0.08) | 0.51 | - | - | 0.03 | 0.03 | 0.01 | 0.02 | - | 100% |
| 06. | Atul Aarogya Ltd | NA | NA | NA | 0.07 | 0.07 | 0.14 | - | 0.07 | - | - | - | - | - | 41.67% |
| 07. | Atul Ayurveda Ltd | NA | NA | NA | 0.08 | 0.02 | 0.10 | - | 0.04 | - | - | - | - | - | 41.67% |
| 08. | Atul Bioscience Ltd | NA | NA | NA | 29.02 | 42.50 | 182.39 | 110.87 | 0.01 | 126.23 | (2.61) | 0.03 | (2.64) | - | 100% |
| 09. | Atul Biospace Ltd | NA | NA | NA | 11.03 | 6.86 | 19.00 | 1.11 | 9.85 | 9.79 | 1.09 | 0.29 | 0.80 | - | 100% |
| 10. | Atul Brasil Quimicos Ltda | NA | BRL | 16.05 | 1.13 | 0.60 | 2.10 | 0.37 | - | 1.30 | 0.42 | - | 0.42 | - | 100% |
| 11. | Atul China Ltd | NA | CNY | 11.97 | 4.06 | 8.63 | 49.40 | 36.71 | - | 149.14 | 3.96 | 0.23 | 3.73 | - | 100% |
| 12. | Atul Clean Energy Ltd | NA | NA | NA | 0.10 | (0.01) | 0.09 | - | 0.02 | - | - | - | - | - | 28.47% |
| 13. | Atul Crop Care Ltd | NA | NA | NA | 0.05 | 4.03 | 6.58 | 2.50 | 0.16 | 16.83 | 1.13 | 0.39 | 0.74 | - | 26.00% |
| 14. | Atul Deutschland GmbH | NA | Euro | 84.14 | 0.84 | (0.53) | 0.62 | 0.30 | - | - | (0.05) | - | (0.05) | - | 100% |
| 15. | Atul Entertainment Ltd | NA | NA | NA | 0.07 | 0.02 | 0.09 | - | 0.04 | - | - | - | - | - | 41.67% |
| 16. | Atul Europe Ltd | NA | GBP | 99.42 | 32.70 | 25.88 | 136.21 | 77.63 | 9.20 | 243.07 | 19.31 | 1.71 | 17.61 | - | 100% |
| 17. | Atul Finserve Ltd | NA | NA | NA | 40.92 | 70.60 | 113.86 | 2.34 | 103.27 | 1.46 | 0.42 | 0.10 | 0.32 | - | 100% |
| 18. | Atul Fin Resources Ltd | NA | NA | NA | 15.58 | 4.15 | 20.00 | 0.27 | - | 1.05 | 0.78 | 0.19 | 0.59 | - | 100% |
| 19. | Atul Healthcare Ltd | NA | NA | NA | 0.10 | - | 0.10 | - | - | - | - | - | - | - | 100% |
| 20. | Atul Homecare Ltd (formerly known as Lapox Polymers Ltd) | NA | NA | NA | 0.05 | 3.33 | 5.86 | 2.48 | 0.13 | 15.46 | 0.82 | 0.22 | 0.60 | - | 20.00% |
| 21. | Atul Hospitality Ltd | NA | NA | NA | 0.06 | 0.02 | 0.08 | - | 0.02 | - | - | - | - | - | 41.67% |
| 22. | Atul Infotech Pvt Ltd | NA | NA | NA | 0.30 | 20.29 | 21.33 | 0.74 | 0.02 | 4.40 | (0.12) | (0.01) | (0.11) | - | 100% |
| 23. | Atul Ireland Ltd | NA | Euro | 84.14 | - | (0.28) | 0.86 | 1.14 | - | 0.74 | (0.23) | - | (0.23) | - | 100% |

## Statement containing salient features of the Financial Statements of subsidiaries, associates and joint arrangements
## Part A: Subsidiary companies (continued)

(₹ cr)

| No. | Name of the entity | Reporting period for the concerned subsidiary company, if different from that of holding company | Reporting currency and exchange rate as on date of the relevant financial year in case of foreign subsidiary companies | | Equity share capital | Reserves and surplus | Total assets | Total liabilities | Investments | Revenue | Profit before tax | Provision for tax | Profit after tax | Dividend | % Shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Currency | Exchange rate | | | | | | | | | | | |
| 24. | Atul Lifescience Ltd | NA | NA | NA | 0.01 | - | 0.01 | - | - | - | - | - | - | - | 100% |
| 25. | Atul Middle East FZ LLC | NA | AED | 20.67 | 0.62 | 3.16 | 3.81 | 0.03 | - | 6.71 | 1.87 | - | 1.87 | - | 100% |
| 26. | Atul Natural Dyes Ltd | NA | NA | NA | 0.01 | - | 0.01 | - | - | - | - | - | - | - | 100% |
| 27. | Atul Natural Foods Ltd | NA | NA | NA | 0.01 | - | 0.01 | - | - | - | - | - | - | - | 100% |
| 28. | Atul Nivesh Ltd | NA | NA | NA | 2.50 | 0.70 | 3.20 | - | - | 0.25 | 0.25 | 0.06 | 0.19 | - | 100% |
| 29. | Atul Paints Ltd | NA | NA | NA | 0.01 | - | 0.01 | - | - | - | - | - | - | - | 100% |
| 30. | Atul Polymers Products Ltd | NA | NA | NA | 0.05 | (0.11) | 0.07 | 0.13 | 0.01 | - | - | - | - | - | 50.00% |
| 31. | Atul Products Ltd | NA | NA | NA | 5.00 | (1.11) | 299.54 | 295.65 | - | - | (1.01) | 0.02 | (1.03) | - | 100% |
| 32. | Atul Rajasthan Date Palms Ltd | NA | NA | NA | 8.11 | (1.84) | 20.34 | 14.07 | - | 1.25 | (1.63) | (0.11) | (1.52) | - | 73.98% |
| 33. | Atul Renewable Energy Ltd | NA | NA | NA | 0.01 | - | 0.01 | - | - | - | - | - | - | - | 100% |
| 34. | Atul (Retail) Brands Ltd | NA | NA | NA | 0.10 | (0.01) | 0.09 | - | 0.05 | - | - | - | - | - | 43.05% |
| 35. | Atul Seeds Ltd | NA | NA | NA | 0.09 | (0.01) | 0.08 | - | 0.03 | - | - | - | - | - | 43.98% |
| 36. | Atul USA Inc | NA | US$ | 75.78 | 15.16 | 26.19 | 111.63 | 70.28 | - | 420.19 | 11.37 | 3.35 | 8.02 | - | 100% |
| 37. | Biyaban Agri Ltd | NA | NA | NA | 1.09 | (0.56) | 0.54 | 0.01 | - | 0.02 | 0.02 | 0.00 | 0.01 | - | 100% |
| 38. | DPD Ltd | NA | GBP | 99.42 | 2.49 | 36.98 | 58.06 | 18.59 | - | 47.14 | 20.04 | 4.42 | 15.62 | - | 98.00% |
| 39. | Jayati Infrastructure Ltd | NA | NA | NA | 0.09 | (0.01) | 0.08 | - | 0.03 | - | - | - | - | - | 43.98% |
| 40. | Osia Dairy Ltd | NA | NA | NA | 0.09 | (0.01) | 0.08 | - | 0.03 | - | - | - | - | - | 100% |
| 41. | Osia Infrastructure Ltd | NA | NA | NA | 3.85 | 3.01 | 8.36 | 1.50 | 0.05 | 18.25 | 4.16 | 1.05 | 3.11 | - | 100% |
| 42. | Raja Dates Ltd | NA | NA | NA | 4.10 | (0.54) | 3.63 | 0.08 | - | 0.06 | (0.08) | (0.03) | (0.05) | - | 100% |
| 43. | Sehat Foods Ltd | NA | NA | NA | 0.10 | - | 0.10 | - | - | - | - | - | - | - | 100% |

AED: United Arab Emirate Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, US$: United States Dollar.

## Part 'B': Associates and joint venture companies

### Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to joint arrangements

(₹ cr)

| No. | Name of the entity | Latest audited Balance Sheet date | Shares of associate \| joint arrangements held by the Company on the year end | | | Description of significant influence | Reason why the associate\| joint arrangements are not consolidated | Net worth attributable to shareholding as per the latest audited Balance Sheet | Accumulated profit \| (loss) | Profit \| (Loss) for the year | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | No. | Amount of investment | Extent of holding % | | | | | Considered in consolidation | Not considered in consolidation |
| | **Joint venture company** | | | | | | | | | | |
| 01. | Rudolf Atul Chemicals Ltd | March 31, 2022 | 29,18,750 | 6.13 | 50.00% | Refer Note 1 | NA | 28.11 | 45.83 | 8.17 | 8.17 |
| | **Joint operation** | | | | | | | | | | |
| 01. | Anaven LLP | March 31, 2022 | | 67 | 50.00% | Refer Note 2 | NA | 60.94 | (12.13) | (0.90) | (0.90) |

Note 1: By representation on the Board of Directors of the joint venture company, the Company participation in the policy making process.

Note 2: This is a jointly controlled entity.

## Notes

# Corporate information

## Directors

**Mr Sunil Lalbhai**
(Chairman and Managing Director)
**Mr Rajendra Shah**
**Mr Bansi Mehta**
**Mr Samveg Lalbhai**
(Managing Director)
**Mr Susim Datta**
**Mr Bharathy Mohanan**
(Whole-time Director and President - Utilities and Services)
**Mr Srinivasa Rangan**
**Mr Mukund Chitale**
**Mr Gopi Kannan Thirukonda**
(Whole-time Director and CFO)
**Ms Shubhalakshmi Panse**
**Mr Baldev Arora**
**Mr Pradeep Banerjee**
(effective May 01, 2022)

## Company Secretary

Mr Lalit Patni

## Statutory Auditors

Deloitte Haskins & Sells LLP

## Cost Auditors

R Nanabhoy & Co

## Secretarial Auditors

SPANJ & Associates

## Registered office

Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India

## Head office

Atul 396 020, Gujarat
India
E-mail address: sec@atul.co.in
Website: www.atul.co.in

## Bankers

Axis Bank
Bank of Baroda
Bank of India
Export Import Bank of India
State Bank of India

**Atul Ltd**
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
www.atul.co.in

Lalbhai Group