



# Amal Ltd

## Annual Report 2018-19

The logo of Amal Ltd portrays a diya whose constituents are an earthen pot, ghee, a wick and a flame. Our actions (symbolised by the ghee) will remain within the boundary of ethics (symbolised by the earthen pot) and we will through hard work (symbolised by the wick) achieve our purpose (symbolised by the flame).

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We must accept finite disappointment,  
but we must never lose infinite hope.

~ Martin Luther King Jr

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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.

# Corporate profile



Amal Ltd is engaged in manufacturing and marketing of bulk chemicals such as Sulphuric acid and Oleum and their downstream products such as Sulphur dioxide and Sulphur trioxide. The plant is located in Ankleshwar, Gujarat, India.

Amal Ltd was promoted by Piramal Group in 1974-75; the controlling interest of the Company was sold to Atul Ltd in 1985-86.

# Letter to the shareholders

Fellow Shareholders,

We are happy to share with you how we have endeavoured to prioritise our efforts to shape our Company.

Our first priority was to stop the losses our Company kept incurring from 2003-04 to 2014-15 (except a small profit of ₹ 0.4 cr in 2013-14) and make it consistently profitable without incurring huge expense or making a large fresh investment. We directed our effort to streamline the manufacturing operations to achieve higher capacity utilisation required for chemicals such as Sulphuric acid, Oleum, Sulphur dioxide and Sulphur trioxide. With this largely in place, from 2015-16 our Company started generating profit consistently. However, there are still accumulated losses of ₹ 18 cr as at March 31, 2019. While our Company achieved improvement in its performance, there is more work to be done to further improve existing operations, and we are working on a few initiatives.

With having improved operations sufficiently, our second priority is to seek growth – in addition to the above, our effort at this time is to evaluate logical and reasonably risk free investment with good RoCE – we will inform you once we move ahead decisively with this investment.

We value the commitment and perseverance of our team members who are engaged in strengthening our Company and thus creating value for the stakeholders. We are grateful to the Non-executive Directors for their involvement, analysis and guidance. As always, we are grateful to you for your faith and patience – we know that you have waited rather long for dividend and appreciation beyond the current share price. We assure you our best in growing our Company.

Sincerely,

(Rajeev Kumar)  
Managing Director

(Sunil Siddharth Lalbhai)  
Chairman



Office building at Ankleshwar, Gujarat

# Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Amal Ltd together with the audited Financial Statements for the year ended March 31, 2019.

## 01. Financial results

	(₹ 000)	
	2018-19	2017-18
Sales and other income	3,34,413	3,19,722
Profit before tax	99,797	97,041
Profit for the year	77,505	97,041
Other comprehensive income (net of tax)	(77)	45
Profit after tax	77,428	97,086
Balance brought forward	(2,60,669)	(3,57,755)
Balance carried forward	(1,83,241)	(2,60,669)

## 02. Performance

During 2018-19, sales and other income increased by 5% from ₹ 3,197 lakhs to ₹ 3,344 lakhs mainly due to lower volumes (19%) and higher prices 24%. The Company reported a profit before tax of ₹ 998 lakhs in 2018-19 against a profit before tax of ₹ 971 lakhs in 2017-18.

## 03. Dividend

Under the extant laws, the Company cannot declare a dividend in view of its carried forward losses.

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

Information required under Section 134(3) (m) of the Companies Act, 2013, 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 9.

## 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 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 a 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.

### 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) above. The Audit Committee periodically reviews the risk management system and gives its recommendations, if any, to the Board. The Board reviews and guides the Risk 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. The Company has Risk Management Oversight Structure and 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 the 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 those 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 the 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, 2019, and the Board believes that the controls are adequate.

### 08. Fixed deposits

During 2018-19, the Company did not accept any fixed deposits.

### 09. 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 81. No transactions were entered into by the Company which required disclosure in Form AOC-2.

### 10. Corporate Social Responsibility

Composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR Report are given at page number 9.

### 11. Extract of the Annual Return

This is given at page number 10.



## 12. Auditors

### Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 43<sup>rd</sup> Annual General Meeting (AGM) held on June 30, 2017 until the conclusion of the 48<sup>th</sup> AGM.

The relevant Notes forming part of the accounts are self-explanatory and give full information and explanation in respect of the observations made by the Auditors in their report.

### Secretarial Auditors

Nilesh A Pradhan & Co. LLP was appointed as the Secretarial Auditor and their report is given at page number 17.

## 13. Directors' responsibility statement

Pursuant to Section 134(5) of the Companies Act, 2013, the Directors confirm that, to the best of their knowledge and belief:

- 13.1 The applicable accounting standards were followed along with proper explanations relating to material departures in the preparation of the annual accounts.
- 13.2 The accounting policies were selected and applied consistently and judgements and estimates were made that 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.
- 13.3 Proper and sufficient care was taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 13.4 The attached annual accounts for the year ended March 31, 2019 were prepared on a going concern basis.
- 13.5 Adequate internal financial controls to be followed by the Company were laid down and they were adequate and operating effectively.
- 13.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

## 14. Directors

### 14.1 Appointments | Reappointments | Cessations

14.1.1 According to the Articles of Association of the Company, Mr T R Gopi Kannan retires by rotation and being eligible, offers himself for reappointment at the forthcoming AGM scheduled on July 19, 2019.

### 14.2 Policies on appointment and remuneration

#### 14.2.1 Appointment

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

- i) Qualification: well-educated and experienced in senior leadership positions in industry | profession
- ii) Traits: positive attributes and qualities
- iii) Independence: criteria prescribed in Section 149(6) of the Companies Act, 2013 for the Independent Directors, including no pecuniary interest and conflict of interest

14.2.2 Remuneration of the Non-executive Directors  
Sitting fees: ₹ 20,000 for attending a Board meeting, ₹ 10,000 for attending any meeting of Committee thereof

#### 14.3 Criteria and method of annual evaluation

14.3.1 The criteria for evaluation of performance of  
a) the Non-independent Directors (Executive)  
b) the Non-independent Directors (Non-executive) c) the Independent Directors d) the Chairman e) the Committees of the Board and f) the Board as a whole are summarised in the table at the end of the Directors' Report at page number 7.

14.3.2 The Independent Directors have carried out annual:

- i) review of performance of the Non-independent Directors - Executive,
- ii) review of performance of the Non-independent Directors - Non-executive,
- iii) review of performance of the Chairman,
- iv) assessment of quality, quantity and timeliness of the flow of information to the Board,
- v) review of performance of the Board as a whole.

14.3.3 The Board has carried out annual evaluation of performance of:

- i) its Committees, namely Audit, Nomination and Remuneration, Stakeholders Relationship and Corporate Social Responsibility,
- ii) the Independent Directors.

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

**15. Key Managerial Personnel and other employees**

**15.1 Appointments and cessations of the Key Managerial Personnel**

There were no appointments | cessations of the Key Managerial Personnel during 2018-19.

**15.2 Remuneration**

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

**15.2.1 Components:**

i) Fixed pay:

- a. Basic salary
- b. Allowances
- c. Perquisites
- d. Retirals

ii) Variable pay

**15.2.2 Factors for determining and changing fixed pay:**

- a. Existing compensation
- b. Education
- c. Experience
- d. Salary bands
- e. Performance
- f. Market benchmark

**15.2.3 Factors for determining and changing variable pay:**

- a. Business performance
- b. Individual performance
- c. Grade

**16. Analysis of remuneration**

The information required pursuant to Sections 134(3)(q) and 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is given at page number 21.

The Company is not required to disclose the information required as there were no employee during 2018-19 drawing remuneration exceeding the limit specified.

**17. Management Discussion and Analysis**

The Management Discussion and Analysis

Report covering performance is given at page number 22.

**18. Corporate Governance Report**

**18.1 Statement of declaration given by the Independent Directors.**

The Independent Directors have given declarations under Section 149(6) of the Companies Act, 2013.

**18.2 Report**

The Corporate Governance Report is given at page number 23. Details about the number of meetings of the Board held during 2018-19 are given at page number 27. The composition of the Audit Committee is given at page number 29. All the recommendations given by the Audit Committee were accepted by the Board.

**18.3 Whistle-blowing Policy**

The Board, on the recommendation of the Audit Committee, had approved a vigil mechanism (Whistle-blowing 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 <https://www.amal.co.in/investors/policies>. No personnel has been denied access to the Audit Committee.

**18.4 Secretarial Standards**

Secretarial Standards as applicable to the Company were followed and complied with during 2018-19.

**19. Acknowledgements**

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

For and on behalf of the Board of Directors

Mumbai  
April 18, 2019

(S S Lalbhai)  
Chairman



Table

Evaluation of	Evaluation by	Criteria
Non-independent Director (Executive)	Independent Directors	Qualification, Experience, Availability and attendance, Integrity, Commitment, Governance, Transparency, Communication, Business leadership, People leadership, Investor relations
Non-independent Director (Non-executive)	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 Director's Report

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**1. Conservation of energy, technology absorption and foreign exchange earnings and outgo**  
Information required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2014 as amended from time to time, forms a part of this Report. However, as per the provisions of Section 136 of the Companies Act, 2013 the Report and Accounts are being sent to all the Members excluding the information relating to conservation of energy, technology absorption, foreign exchange earnings and outgo. Any Member interested in obtaining such particulars may inspect the same at the registered office of the Company or write to the Chief Financial Officer or the Company Secretary for a copy.

**2. Subsidiary, associate and joint venture companies**  
The Company does not have any subsidiary, associate and joint venture company.

### **3. Corporate Social Responsibility**

#### **3.1 Policy, programs and scope**

##### **3.1.1 Policy**

Amal will help enhance the quality of life of the people belonging to the marginalised sections of the society and volunteer its resources to the extent it can reasonably afford to Atul Foundation Trust (AFT) and (or) other entities under its umbrella. The Foundation will particularly undertake projects in and around the locations where the Company operates.

##### **3.1.2 Programs and scope**

AFT will take up projects and | or carry out activities under 3 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. Encourage sports
- b. Establish and | or support schools
- c. Establish and | or support colleges
- d. Establish and | or support vocational institutes
- e. Promote integrated development of tribal areas

ii) Health and Relief

- a. Assist during natural calamities
- b. Enhance rural hygiene and sanitation
- c. Establish mobile medical care facilities
- d. Establish medical care centers
- e. Organise medical camps

iii) Conservation and Infrastructure

- a. Develop and | or maintain rural utilities
- b. Develop and | or maintain rural amenities
- c. Protect environment
- d. Promote use of renewable resources
- e. Restore sites of historical importance

Please refer to the following web-link for details of policy, programs and projects:

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

#### **3.2 Committee**

- » A R Jadeja (Chairman)
- » T R Gopi Kannan
- » R Kumar

### 3.3 Expenditure: determination and actual spent

(₹ lakhs)

Particulars	Amount
Average net profit of the Company for the last 3 financial years	915.94
Prescribed CSR expenditure, at 2% of above	18.32
Total amount spent for the financial year	18.32
Amount unspent by the Company	Nil

### 3.4 Manner in which spent

No.	Program	Project   Activity	Location   Village	Budget ₹ lakhs	Spent ₹ lakhs	Cummulative ₹ lakhs	Implementing agency
1.	Health	Individual house hold toilets	Panchlai village, Pardi Taluka, Valsad	18.32	18.32	24.78	AFT   ARDF
Total direct expenditure				18.32	18.32	24.78	
Administrative overheads (OH)				-	-	-	
Total (direct expenditure + OH)				18.32	18.32	24.78	

AFT: Atul Foundation Trust

ARDF: Atul Rural Development Fund Trust

### 3.5 Implementing agencies

#### 3.5.1 Atul Foundation Trust (Atul, Gujarat):

Established in 2011, AFT is the embodiment of the purpose towards serving the society. It is the apex trust through which all CSR initiatives of the Company are undertaken.

#### 3.5.2 Atul Rural Development Fund (Atul, Gujarat):

Established in 1978, ARDF implements projects for upliftment of the marginalised sections of the communities.

### 3.6 Confirmation of compliance

The CSR Committee confirms that the implementation and monitoring of the CSR Policy is in compliance with its objectives and policy of the Company.

Managing Director	Chairman CSR Committee
R Kumar	A R Jadeja

## 4. Extract of the Annual Return

Form number MGT - 9

Extract of the Annual Return as on March 31, 2019

{Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014}

### 4.1 Registration and other details

- » Corporate identification number: L24100MH1974PLC017594
- » Registration date: July 04, 1974



- » Name of the company: Amal Ltd
- » Category | Sub-category of the company: Company limited by shares
- » Address of the registered office and contact details:  
Atul House, 310 B, Veer Savarkar Marg, Mumbai 400 028, Maharashtra, India,  
Telephone: (+91 22) 3987 6000
- » Whether listed company: Yes, listed on BSE Ltd
- » Name, address and contact details of Registrar and Transfer Agent: Link Intime India Pvt Ltd,  
C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083, Maharashtra, India,  
Telephone: (+91 22) 4918 6270

#### 4.2 Principal business activities of the Company

No.	Name and description of main products   services	National industrial classification code of the product   service	% to total revenue of the Company
1.	Basic chemicals	201	100

#### 4.3 Particulars of the holding, the subsidiary and the associate companies

No.	Name and address of the Company	Corporate identification number	Holding   subsidiary   associate	% of shares held	Applicable Section
1.	Atul Ltd Ahmedabad 380 014, Gujarat	L9999GJ1975PLC002859	Holding	53	2(46)

#### 4.4 Shareholding pattern (equity share capital break-up as percentage of total equity)

##### 4.4.1 Category-wise shareholding

Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2018)				Number of shares held at the end of the year (as at March 31, 2019)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
A.	Shareholding of the promoter and the promoter group									
1.	Indian									
a)	Individuals   Hindu Undivided Family	-	18,206	18,206	0.19	-	18,206	18,206	0.19	-
b)	Central Government   State Government(s)	-	-	-	-	-	-	-	-	-
c)	Bodies corporate	-	61,56,022	61,56,022	65.31	-	61,56,022	61,56,022	65.31	-
d)	Financial institutions   Banks	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	<b>Sub total (A)</b>	-	<b>61,74,228</b>	<b>61,74,228</b>	<b>65.50</b>	-	<b>61,74,228</b>	<b>61,74,228</b>	<b>65.50</b>	-

Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2018)				Number of shares held at the end of the year (as at March 31, 2019)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
<b>B.</b>	<b>Public shareholding</b>									
1.	Institutions									
a)	Mutual funds	1,000	-	1,000	0.01	1,000	-	1,000	0.01	-
b)	Financial institutions   Banks	220	863	1,083	0.01	220	863	1,083	0.01	-
c)	Central Government   State Government(s)	-	-	-	-	-	-	-	-	-
d)	Venture capital funds	-	-	-	-	-	-	-	-	-
e)	Insurance companies	-	-	-	-	-	-	-	-	-
f)	Foreign institutional investors	-	-	-	-	-	-	-	-	-
g)	Foreign venture capital investors	-	-	-	-	-	-	-	-	-
h)	Others	100	-	100	-	100	-	100	-	-
	<b>Sub total (B)(1)</b>	<b>1,320</b>	<b>863</b>	<b>2,183</b>	<b>0.02</b>	<b>1,320</b>	<b>863</b>	<b>2,183</b>	<b>0.02</b>	<b>-</b>
2.	Non-institutions									
a)	Bodies corporate	40,969	1,47,235	1,88,204	2.00	40,745	1,53,627	1,94,372	2.06	0.06
b)	Individuals									
i)	Shareholders holding nominal share capital up to ₹ 1 lakh	13,58,910	12,42,899	26,01,809	27.61	12,72,324	12,77,838	25,50,162	27.06	(0.54)
ii)	Shareholders holding nominal share capital in excess of ₹ 1 lakh	12,500	3,12,779	3,25,279	3.45	12,500	3,80,908	3,93,408	4.17	0.72
c)	Others									
i)	Non resident Indians	-	7,782	7,782	0.08	-	13,627	13,627	0.14	0.06
ii)	Foreign bodies	-	-	-	-	-	-	-	-	-
iii)	Foreign nationals	-	-	-	-	-	-	-	-	-
iv)	Clearing members	-	40,641	40,641	0.43	-	9,428	9,428	0.10	(0.33)
v)	Any other	1,133	83,741	84,874	0.90	1,133	86,459	87,592	0.93	0.03
	<b>Sub total (B)(2)</b>	<b>14,13,512</b>	<b>18,35,077</b>	<b>32,48,589</b>	<b>34.47</b>	<b>13,26,702</b>	<b>19,21,887</b>	<b>32,48,589</b>	<b>34.47</b>	<b>-</b>
	<b>Total public shareholding (B)=(B)(1)+(B)(2)</b>	<b>14,14,832</b>	<b>18,35,940</b>	<b>32,50,772</b>	<b>34.49</b>	<b>13,28,022</b>	<b>19,22,750</b>	<b>32,50,772</b>	<b>34.49</b>	<b>-</b>
	<b>Total (A)+(B)</b>	<b>14,14,832</b>	<b>80,10,168</b>	<b>94,25,000</b>	<b>100.00</b>	<b>13,28,022</b>	<b>80,96,978</b>	<b>94,25,000</b>	<b>100.00</b>	<b>0.00</b>
<b>C.</b>	<b>Shares held by custodians and against which depository receipts have been issued</b>									
1.	Promoter and promoter group	-	-	-	-	-	-	-	-	-
2.	Public	-	-	-	-	-	-	-	-	-
	<b>Sub total (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Grand total (A)+(B)+(C)</b>	<b>14,14,832</b>	<b>80,10,168</b>	<b>94,25,000</b>	<b>100.00</b>	<b>13,28,022</b>	<b>80,96,978</b>	<b>94,25,000</b>	<b>100.00</b>	<b>0.00</b>



#### 4.4.2 Shareholding of the promoters

No.	Name of the shareholder	Shareholding as at April 01, 2018			Shareholding as at March 31, 2019			% change in shareholding during the year
		Number of shares held	% of total shares of the Company	% of shares pledged   encumbered to total number of shares	Number of shares held	% of total shares of the Company	% of shares pledged   encumbered to total number of shares	
1.	Atul Finserv Ltd	45,68,824	48.48	-	45,68,824	48.48	-	-
2.	Aagam Holdings Pvt Ltd	9,67,809	10.27	-	9,67,809	10.27	-	-
3.	Atul Ltd	4,12,453	4.37	-	4,12,453	4.37	-	-
4.	Aayojan Resources Pvt Ltd	2,06,936	2.20	-	2,06,936	2.20	-	-
5.	Vimla S Lalbhai	13,250	0.14	-	13,250	0.14	-	-
6.	Sunil S Lalbhai	3,750	0.04	-	3,750	0.04	-	-
7.	Swati S Lalbhai	706	0.00	-	706	0.00	-	-
8.	Taral S Lalbhai	500	0.00	-	500	0.00	-	-
	<b>Total</b>	<b>61,74,228</b>	<b>65.50</b>	<b>-</b>	<b>61,74,228</b>	<b>65.50</b>	<b>-</b>	<b>-</b>

#### 4.4.3 Change in the shareholding of the promoters

No.	Particulars	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
A.	Individuals					
	At the beginning of the year		18,206	0.19	18,206	0.19
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		18,206	0.19	18,206	0.19
B.	Companies					
	At the beginning of the year		61,56,022	65.31	61,56,022	65.31
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		61,56,022	65.31	61,56,022	65.31

4.4.4 Shareholding pattern of top 10 shareholders (other than the Directors, the promoters and the holders of American Depository Receipts and Global Depository Receipts)

No.	Name of the shareholder	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01.	Kiran Suzanne Coelho		1,10,000	1.17	1,10,000	1.17
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		1,10,000	1.17	1,10,000	1.17
02.	Lincoln P Coelho		50,000	0.53	50,000	0.53
	Increase   Decrease during the year					
	1. August 2018	Purchase	50,000	0.53	1,00,000	1.06
	At the end of the year		1,00,000	1.06	1,00,000	1.06
03.	Chhaya Sanjay Sutaria		44,517	0.47	44,517	0.47
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		44,517	0.47	44,517	0.47
04.	Sasi Star Finance Private Limited		31,050	0.33	31,050	0.33
	Increase   Decrease during the year					
	1. September 2018	Purchase	1,000	0.01	32,050	0.34
	At the end of the year		32,050	0.34	32,050	0.34
05.	Bharat Jayantilal Patel		24,126	0.26	24,126	0.26
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		24,126	0.26	24,126	0.26
06.	Simplex Properties and Trading Private Limited		20,000	0.21	20,000	0.21
	Increase   Decrease during the year					
	1. August 2018	Purchase	2,000	0.02	22,000	0.23
	At the end of the year		22,000	0.23	22,000	0.23
07.	Vidhi Sales Private Limited		20,689	0.22	20,689	0.22
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		20,689	0.22	20,689	0.22



No.	Name of the shareholder	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
08.	Pramod Shrikrishna Paranjape		20,431	0.22	20,431	0.22
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		20,431	0.22	20,431	0.22
09.	Vijaya commercial Credit Ltd		19,700	0.21	19,700	0.21
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		19,700	0.21	19,700	0.21
10.	Amit Sarda		17,990	0.19	17,990	0.19
	Increase   Decrease during the year					
	1. July 2018	Sale	(1,000)	(0.01)	16,990	0.18
	2. August 2018	Sale	(210)	0.00	16,780	0.18
	3. October 2018	Sale	(120)	0.00	16,660	0.18
	4. January 2019	Purchase	1	0.00	16,661	0.18
	5. February 2019	Purchase	2,176	0.02	18,837	0.20
At the end of the year		18,837	0.20	18,837	0.20	

#### 4.4.5 Shareholding of the Directors and the Key Managerial Personnel

No.	Name of the shareholder	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
1.	S S Lalbhai					
	At the beginning of the year		3,750	0.04	3,750	0.04
	Increase   Decrease during the year		-	-	-	-
	At the end of the year		3,750	0.04	3,750	0.04

#### 4.5 Indebtedness

Indebtedness of the Company including interest outstanding | accrued, but not due for payment.

Nil

#### 4.6 Remuneration of the Directors and the Key Managerial Personnel

##### 4.6.1 Remuneration to the Managing Director

(₹)

No.	Particulars	R Kumar
1.	Gross salary	
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961	11,44,500
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2.	Stock option	-
3.	Sweat equity	-
4.	Commission	-
5.	Others	-
6.	Total	11,44,500
7.	Overall ceiling as per the Act	30,00,000

##### 4.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	S A Shah	A R Jadeja	S Mahalakshmi	Total amount
1.	Non-executive Independent Directors				
	a) Fee for attending the Board, Committee and other meetings	1,40,000	1,30,000	1,40,000	4,10,000
	b) Commission	-	-	-	-
	Total 1	1,40,000	1,30,000	1,40,000	4,10,000
2.	Non-executive Non-independent Directors				
	a) Fee for attending the Board, Committee and other meetings	-	-	-	-
	b) Commission	-	-	-	-
	Total 2	-	-	-	-
	Total B = (1+2)	1,40,000	1,30,000	1,40,000	4,10,000
	Total managerial remuneration (A+B)				15,54,500
	Overall ceiling as per the Act				30,00,000

##### 4.6.3 Remuneration to the Key Managerial Personnel other than the Managing Director

(₹)

No.	Particulars	Key Managerial Personnel
		CS
		A T Mankodi
1.	Gross salary	87,858
	Salary as per provisions contained under Section 17(1) of the Income Tax Act, 1961	



No.	Particulars	Key Managerial Personnel	
		CS	
		A T Mankodi	
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961		-
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961		-
2.	Stock option		-
3.	Sweat equity		-
4.	Commission		-
5.	Others		-
	Total		87,858

#### 4.7 Penalties | Punishments | Compounding of offences

There were no penalties | punishments | compounding of offences for the year ending March 31, 2019.

#### 5. Secretarial Audit Report

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

For the financial year ended March 31, 2019

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

The Members  
Amal Ltd  
Atul House  
310 B, Veer Savarkar Marg  
Mumbai 400 028, Maharashtra  
India

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

Based on my verification of the 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 on March 31, 2019 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 as per Annexure I for the financial year ended on March 31, 2019 according to the provisions of:

- i. The Companies Act, 2013 (Act) and the rules made thereunder read with the notified provisions of Companies (Amendment) Act, 2017;
- 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. 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) Regulations, 2014
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
  - 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, 2009
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- vi. Other sector specific laws as applicable to the Company including product laws, pollution laws, manufacturing laws and safety laws.

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (d), (e), (g) and (h) of para (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. 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 is given to all the Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least 07 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

- i. Pursuant to the Modified Sanctioned Scheme (MS-13) as approved by Board of Industrial Finance and Reconstruction, the Company has redeemed 10,00,000, (0%) redeemable preference shares of ₹ 10 each issued to Atul Ltd.



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 referred to above more specifically related to:

- i) Public | Right | Preferential issue of shares | debentures | sweat equity, etc
- ii) Redemption | Buy-back of securities
- iii) Major decisions taken by the Members in pursuance to Section 180 of the Act
- iv) Foreign technical collaborations

For Nilesh A Pradhan & Co. LLP

(N A Pradhan)

**Partner**

Membership number: F5445

CPN: 3659

Mumbai  
April 18, 2019

**Amal Ltd**  
**Annexure I – List of documents verified**

01. Memorandum and Articles of Association of the Company.
02. Minutes of the meetings of the Board of Directors, Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and along with attendance register held during the period under report.
03. Minutes of General Body meetings held during the period under report.
04. Statutory registers | records under the Companies Act, 2013 and Rules made thereunder, namely:
  - » Register of Directors and the Key Managerial Personnel
  - » Register of Directors' shareholding
  - » Register of loans, guarantees and security and acquisition made by the Company
  - » Register of renewed and duplicate share certificate
  - » Register of Members
  - » Periodical BENPOS, registers of DEMAT | REMAT and records made available from registrar and transfer agents
05. Agenda papers submitted to all the Directors | Members for the Board meetings and Committee meetings.
06. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
07. Intimations received from the Directors under the Prohibition of Insider Trading and SEBI Takeover Code.
08. e-Forms and attachments thereof filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 during the period under report.
09. Intimations | Documents | Reports | Returns filed with the Stock Exchange pursuant to the provisions of Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under report.
10. Filings made with the Reserve Bank of India under the foreign direct investment guidelines and for overseas direct investments made by the Company.
11. Documents related to payments of dividend made to its shareholders during the period under report.
12. Communications | Letters issued to and acknowledgements received from the Independent Directors for their appointment.
13. Various policies framed by the Company from time to time as required under the Companies Act, 2013 as well as Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars issued by SEBI from time to time as mentioned hereunder:
  - » Corporate Social Responsibility Policy
  - » Whistle-blowing Policy
  - » Policy framed under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013
  - » Related Party Transactions Policy
  - » Risk Management Policy
  - » Code of Conduct for the Directors | Key Managerial Personnel
  - » Archival Policy
  - » Determination of material events
  - » Preservation of documents
14. Manual maintained for compliance management system for applicable laws to the Company.



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

No.	Particulars	Status		
			Number of times	
			If total remuneration of the Director is considered	If total remuneration of the Director excluding variable pay and commission is considered
i)	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	S A Shah A R Jadeja S Mahalakshmi R Kumar	0.38 0.35 0.38 0.03	0.38 0.35 0.38 0.03
ii)	Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	<b>Directors</b> S A Shah A R Jadeja S Mahalakshmi <b>Managing Director</b> R Kumar <b>Company Secretary</b> A T Mankodi		% 0 (-28) 0 - -
iii)	Percentage increase in the median remuneration of employees in the financial year			5.28%
iv)	Number of permanent employees on the rolls of Company			22
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 point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase for Key Managerial Personnel and for other employees was about 5.28%.  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, 2019.

# Management Discussion and Analysis

The Company manufactures bulk chemicals such as Sulphuric acid and Oleum and their downstream products such as Sulphur dioxide and Sulphur trioxide at its manufacturing site at Ankleshwar.

These chemicals find their use in several industries like Dyes, Fertiliser, Personal Care, Petrochemical, Pharmaceutical, Textile, etc. These chemicals are generally sold locally and that too, within a radius of 150 km from the manufacturing site.

During 2018-19, sales and other income increased by 5% from ₹ 3,197 lakhs to ₹ 3,344 lakhs. The world market for Sulphuric acid is estimated at 220 mn mt per annum. Assuming demand equals production and is growing at about 4 to 5% per annum, the world market for Sulphuric acid is projected to be about 230 mn mt per annum by 2020, with the Fertiliser industry contributing to 65% of the consumption.

The manufacturing plant of the Company at Ankleshwar has an installed capacity of 140 mt per day. Optimising the product mix is a key factor. The price level of Sulphuric acid and related products were at a higher level due to closure of a Copper plant in South India. If the Copper plant is restarted, there will be substantial price correction in the market. The way to succeed in these products is to ensure high capacity utilisation, excellent conversion efficiency and full deployment of the by-product, steam.

The products manufactured by the Company are commodity in nature, whose prices and contributions fluctuate significantly. The price of key raw material, Sulphur, also varies from month to month.

## Internal control systems

The internal control systems of the Company are commensurate with the nature of its business and size and complexity of its operations. These are routinely tested, certified and upgraded wherever required by the Statutory as well as the Internal Auditors covering all key areas of business. Significant audit observations and follow up actions and recommendations there on are reported to the higher Management and Audit Committee for their review.

The Company is working with reputed firms specialised in internal audit function. The combined efforts are helping the Company to introduce best practices required to manage its business.

## Human Resources

The Company believes that People are the foundation on which the business is built and it remains a key focus area. It continued with its drive to institutionalise and upgrade HR processes. In particular, it focused on improving its processes related to performance management (training and development, key initiatives: identification and review, competencies, 360 degree feedback and fixed and variable pay).

The training needs are identified based on self-assessment and L+1 assessment, in addition there are certain standard courses which everyone is expected to go through, depending upon his (her) grade.



# Corporate Governance Report

The only guide to a man is his conscience.

~ Gautama Buddha



## 1. Philosophy

Transparency and accountability are the two basic tenets of Corporate Governance. Amal 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 in the right way, which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavours to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its stakeholders.

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

## 2. Board

### 2.1 Board business

The normal business of the Board comprises:

#### 2.1.1 Approving:

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

#### 2.1.2 Monitoring:

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

#### 2.1.3 Noting:

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

#### 2.1.4 Recommending:

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



### 2.1.5 Reviewing:

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

### 2.1.6 Setting:

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

### 2.1.7 Others:

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

## 2.2 Appointment and tenure

2|3<sup>rd</sup> of the Directors (other than the Independent Directors) are rotational Directors. 1|3<sup>rd</sup> of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment. The Managing Director is appointed by the Members for a period up to five years.

## 2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At this time, it consists of 6 Members comprising 5 Non-executive Directors (3 Independent and 2 Non-independent) and 1 Managing Director. The Independent Directors account for not less than 50% 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 following skills | expertise | competence required by the Board of Directors in the context of the business(es) and sectors of the Company to function effectively and those actually available with it:

Skills   expertise   competence	Status
Commercial	Available
Finance	Available
Sales and marketing	Available
Science and technology	Available
Domain industry	Available
General management	Available
Legal, including laws related to corporate governance	Available

The Non-executive Directors are eminent professionals, drawn from the above area. The details about the Board Members are as under.

No.	Name	Directorship(s) in other company (ies) <sup>1</sup>	Membership(s) of the Committee(s) of the Board(s) <sup>2</sup>	Chairmanship(s) of the Committee(s) of the Board(s) <sup>2</sup>
1.	<b>Chairman</b> S S Lalbhai <sup>3</sup>	6	3	-
2.	<b>Managing Director</b> R Kumar	-	-	-
	<b>Non-executive Directors</b>			
3.	T R Gopi Kannan	8	4	-
4.	S A Shah	7	6	4
5.	A R Jadeja	-	-	1
6.	S Mahalakshmi	-	-	1

Except Mr T R Gopi Kannan all other Non-executive Directors are Independent.

<sup>1</sup>Excludes Directorships in foreign companies and private limited companies

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

<sup>3</sup>Chairman - promoter and Non-executive Director

No.	Name	Name of listed entities in which the Director is a director	Category
1.	S S Lalbhai	Atul Ltd Navin Fluorine International Ltd Pfizer Ltd The Bombay Dyeing and Manufacturing Company Ltd	Non-independent Director Independent Director Independent Director Independent Director
2.	R Kumar	-	
3.	T R Gopi Kannan	Atul Ltd	Whole-time Director and CFO
4.	S A Shah	Hindoostan Mills Ltd Amrit Corp Ltd Mafatalal Industries Ltd	Independent Director Independent Director Independent Director
5.	A R Jadeja	-	
6.	S Mahalakshmi	-	



## 2.4 Board meetings

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

No.	Day	Date	Venue
1.	Friday	April 19, 2018	Mumbai
2.	Thursday	July 13, 2018	Mumbai
3.	Friday	October 11, 2018	Mumbai
4.	Saturday	January 11, 2019	Mumbai

## 2.5 Attendance at the Board meetings and the AGM

No.	Name	Board Meetings		AGM
		Total	Attended	September 21, 2018
1.	S S Lalbhai	4	4	Present
2.	R Kumar	4	4	Present
3.	T R Gopi Kannan	4	4	Present
4.	S A Shah	4	4	Present
5.	A R Jadeja	4	3	Present
6.	S Mahalakshmi	4	4	Present

## 2.6 Appointment | Cessation

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

## 2.7 Remuneration

No.	Name	Remuneration during the year (₹)			
		Sitting fees	Salary and perquisites	Commission	Total
1.	Chairman S S Lalbhai	-	-	-	-
2.	Managing Director R Kumar	-	11,44,500	-	11,44,500
	<b>Non-executive Directors</b>				
3.	T R Gopi Kannan	-	-	-	-
4.	S A Shah	1,40,000	-	-	1,40,000
5.	A R Jadeja	1,30,000	-	-	1,30,000
6.	S Mahalakshmi	1,40,000	-	-	1,40,000

Sitting fees of ₹ 20,000 per meeting constitute fees paid for attending Board meetings and ₹ 10,000 per meeting for attending the Committee meetings to the Non-executive Independent Directors.

\*Represents lower of 10% of the remuneration paid by Atul Ltd to the Managing Director (being an employee of Atul Ltd) or an amount allowable under Section I or Section II of Part II of the Schedule V of the Companies Act, 2013. Accordingly, an amount of ₹ 11,44,500 was paid to Atul Ltd for the year 2018-19.

### 3. Committees of the Board

The Board has constituted the following Committees:

- » Audit Committee
- » Nomination and Remuneration Committee
- » Stakeholders Relationship Committee
- » Corporate Social Responsibility Committee

#### 3.1 Audit Committee

##### 3.1.1 Role

- i) Approving:
  - » appointment of the Chief Financial Officer
  - » transactions with related parties and subsequent modifications thereof
- ii) Conducting:
  - » pre-audit discussions with the Auditors regarding nature and scope of the audit and post-audit discussion to ascertain any areas of concern
  - » valuation of undertakings or assets, wherever necessary
- iii) Formulating:
  - » scope, functioning, periodicity and methodology for conducting the Internal Audit in consultation with the Internal Auditor
  - » Code of Conduct and related matters
- iv) Reviewing:
  - » adequacy of the Internal Audit function, including the structure of Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit
  - » compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively
  - » significant transactions and arrangements entered into by the unlisted subsidiary companies
  - » the Auditors' independence, performance and effectiveness of the audit process
  - » periodically with the Auditors the internal control systems, the scope of audit including the observations of the Auditors and the Financial Statements before submission to the Board
  - » the annual Financial Statements and Auditor's Report with the Management before submission to the Board for approval with particular reference to:
    - any changes in accounting policies and practices
    - compliance with accounting standards
    - compliance with the Stock Exchanges and legal requirements concerning the Financial Statements
    - disclosure of any related party transactions
    - going concern assumption
    - major accounting entries involving estimates based on exercise of judgement by the Management
    - matters required to be included in the Directors' Responsibility Statement for the Directors' Report
    - qualifications in the draft Audit Report
    - significant adjustments made in the Financial Statements arising out of audit findings



- » with the Internal Auditors any significant findings and follow up thereon including findings of any internal investigations into matters where there is suspected fraud or irregularity or failure of the internal control systems of material nature and reporting such matters to the Board
- » financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient
- » compliance reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically
- » reasons for substantial defaults, if any, in the payment to the depositors, the debenture holders, the Members (in case of non-payment of declared dividends) and creditors
- » the Financial Statements, in particular, investments made by unlisted subsidiary companies
- » functioning of Whistle-blowing mechanism
- » following information mandatorily:
  - appointment, removal and terms of remuneration of the Chief Internal Auditor
  - Internal Audit Reports relating to weaknesses in the internal control systems
  - Management Discussion and Analysis of financial condition and results of operations
  - management letters | letters of internal control weaknesses issued by the Statutory Auditors
  - statement of related party transactions submitted by the Management
- » with the Management the statement of uses | applications of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for the purposes other than those stated
- » utilisation of loans and | or advances from | investment by the holding company to | in the subsidiary exceeding ₹ 100 crore or 10% of the asset size of the subsidiary, whichever is lower including loans | advances | investments existing as on April 01, 2019.

v) Others

- » Evaluating internal financial controls and risk management system
- » Recommending appointment, remuneration and terms of appointment of the Auditors and approval for payment for any other services
- » Scrutinising inter-corporate loans and investments
- » Carrying out any other function as mentioned in the terms of reference of the Audit Committee

3.1.2 Composition

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

No.	Name	Designation
1.	S Mahalakshmi	Chairman
2.	S A Shah	Member
3.	A R Jadeja	Member

3.1.3 Meetings and attendance

During 2018-19, four meetings were held.

No.	Name	Total	Attended
1.	S Mahalakshmi	4	4
2.	S A Shah	4	4
3.	A R Jadeja	4	3

The Statutory Auditors, the Chairman, the Managing Director, the Chief Financial Officer, the Company Secretary, the head of Finance, Accounts, and Internal Audit are permanent invitees to the meetings. The Board notes the minutes of the Audit Committee meetings.

### 3.2 Nomination and Remuneration Committee

#### 3.2.1 Role

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

#### 3.2.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1.	S A Shah	Chairman
2.	S S Lalbhai	Member
3.	S Mahalakshmi	Member

#### 3.2.3 Meetings and attendance

During 2018-19, 1 meeting was held.

No.	Name	Total	Attended
1.	S A Shah	1	1
2.	S S Lalbhai	1	1
3.	S Mahalakshmi	1	1

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

### 3.3 Stakeholders Relationship Committee

#### 3.3.1 Role

- i) Considering and resolving grievances (including complaints related to non-receipt of the Annual Report, non-receipt of declared dividends and transfer of shares) of security holders (including the shareholders, debenture holders and other security holders)
- ii) 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 of various services being rendered by the Registrar and Share Transfer Agent
  - » Change of name(s) of the Members on share certificates
  - » Consolidation of share certificates
  - » Deletion of name(s) of guardian(s)
  - » Deletion of name(s) from share certificates
  - » Dematerialisation of shares
  - » Issue of duplicate share certificates
  - » Measures taken for effective exercise of voting rights by the shareholder(s)



- » Measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants | annual reports | statutory notices by the shareholder(s) of the Company
- » Rematerialisation of shares
- » Replacement of shares
- » Splitting-up of shares
- » Transfer of shares
- » Transmission of shares
- » Transposition of names

### 3.3.2 Composition

The Committee comprises of following Members:

No.	Name	Designation
1.	A R Jadeja	Chairman
2.	T R Gopi Kannan	Member

Mr A T Mankodi, Company Secretary, is the Chief Compliance Officer.

### 3.3.3 Meetings and attendance

During 2018-19, two meetings were held.

No.	Name	Total	Attended
1.	A R Jadeja	2	2
2.	T R Gopi Kannan	2	2

During 2018-19, 2 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	-	-
2.	Non-receipt of share certificates	-	-
3.	Non-receipt of duplicate share certificates	-	-
4.	Others	2	2
	Total	2	2

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

## 3.4 Corporate Social Responsibility Committee

### 3.4.1 Role

- i) Formulating and recommending the Corporate Social Responsibility (CSR) Policy to the Board
- ii) Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profits in a given year
- iii) Monitoring the CSR Policy from time to time
- iv) Recommending the amount of expenditure to be incurred on the CSR activities which may not be less than 2% of the average net profits of the last 3 years

### 3.4.2 Composition

The Committee comprises of following Members:

No.	Name	Designation
1.	A R Jadeja	Chairman
2.	T R Gopi Kannan	Member
3.	R Kumar	Member

3.4.3 Meetings and attendance  
During 2018-19, one meeting was held.

No.	Name	Total	Attended
1.	A R Jadeja	1	1
2.	T R Gopi Kannan	1	1
3.	R Kumar	1	1

The Board notes the minutes of the CSR Committee meeting.

4. **Subsidiary companies registered in India**

The Company does not have any subsidiary company in India.

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: [http://www.amal.co.in/pdf/Code\\_of\\_Conduct.pdf](http://www.amal.co.in/pdf/Code_of_Conduct.pdf)

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 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. Status of complaints received during 2018-19 are as under:

Filed during 2018-19	Nil
Disposed of during 2018-19	Nil
Pending as at the end of 2018-19	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 [http://www.amal.co.in/pdf/related\\_party\\_policy.pdf](http://www.amal.co.in/pdf/related_party_policy.pdf)

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

The Company does not go for commodity price risk hedging activities as it does not expect significant



advantage in medium to long-term horizon. However, for minimising procurement risk for short duration, it enters into annual purchase contracts for key raw materials linked to input costs | published benchmark prices.

## 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 2018-19 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

The Company complied with the statutory provisions, rules and regulations relating to the capital markets during the last 3 years and the Stock Exchanges or the Securities and Exchange Board of India or any statutory authority did not impose any penalties or strictures on the Company for the said period.

## 7. Shareholders' information

### 7.1 General Body meetings

#### 7.1.1 Location and time where last 3 AGMs were held:

Year	Location	Date	Time
2015-16	Kilachand Conference Room 2 <sup>nd</sup> Floor, LNM-IMC Building, Churchgate, Mumbai 400 020, Maharashtra, India	September 23, 2016	03:00 pm
2016-17	Kilachand Conference Room 2 <sup>nd</sup> Floor, LNM-IMC Building, Churchgate, Mumbai 400 020, Maharashtra, India	June 30, 2017	11:00 am
2017-18	The Synthetic and Art Silk Mills Research Association Sasmira, Sasmira Marg, Worli, Mumbai 400 030, Maharashtra, India	September 21, 2018	10:30 am

7.1.2 No special resolutions were passed in the previous 3 AGMs.

7.1.3 Resolutions through postal ballot were not passed.

### 7.2 Annual General Meeting 2019

Details of the 45<sup>th</sup> AGM is as under:

Year	Location	Date	Time
2018-19	The Synthetic and Art Silk Mills Research Association Sasmira, Sasmira Marg, Worli, Mumbai 400 030, Maharashtra, India	July 19, 2019	11:30 am

As required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, particulars of the Directors seeking reappointment | appointment are given in the Notice of the AGM.

**7.3 Financial year**  
April 01 to March 31

**7.4 Date of book closure**  
July 06, 2019 to July 12, 2019

**7.5 Date of dividend payment**  
Not applicable

**7.6 Listing on the Stock Exchanges**

Equity shares of the Company are listed on the BSE Ltd (BSE). The Company has paid listing fee for 2019-20 to the Stock Exchange 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 INE841D0101013. The Corporate Identity number is L24100MH1974PLC017594.

**7.7 Stock code**  
BSE: 506597

**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 2018-19 are as under:

Month	Share price of the Company on BSE		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹
April 2018	168.90	127.20	35,213.30	32,972.56
May 2018	153.00	123.10	35,993.53	34,302.89
June 2018	135.00	115.75	35,877.41	34,784.68
July 2018	162.90	115.05	37,644.59	35,106.57
August 2018	176.90	142.00	38,989.65	37,128.99
September 2018	180.00	147.00	38,934.35	35,985.63
October 2018	164.00	122.25	36,616.64	33,291.58
November 2018	149.90	125.10	36,389.22	34,303.38
December 2018	137.50	118.05	36,554.99	34,426.29
January 2019	136.80	110.05	36,701.03	35,375.51
February 2019	119.95	95.10	37,172.18	35,287.16
March 2019	121.00	90.00	38,748.54	35,926.94

**7.9 Registrar and transfer agent**

Link Intime India Pvt Ltd

C 101, 247 Park, L B S Marg, Vikhroli (West), Mumbai 400 083, Maharashtra, India

Telephone: (+91 22) 4918 6270 | Fax: (+91 22) 4918 6060

E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)



## 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on a half-yearly basis were issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, certificates were also received from the Company Secretary in practice for timely dematerialisation of the shares and for conducting the Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. All the certificates were filed with the Stock Exchanges where the shares of the Company are listed.

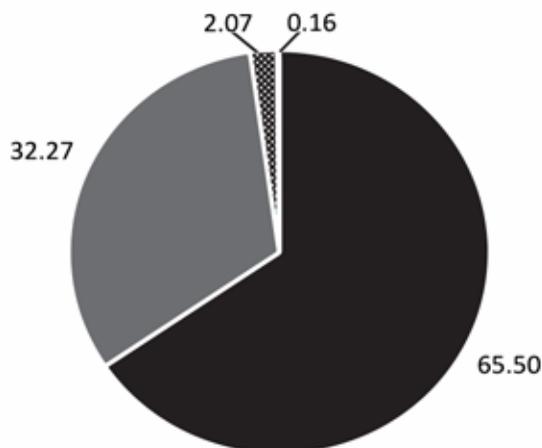
## 7.11 Distribution of shareholding as on March 31, 2019

### 7.11.1 Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of total	Numbers	% of total
1 - 500	11,679	92.48	14,20,580	15.07
501 - 1,000	562	4.45	4,27,538	4.54
1,001 - 2,000	226	1.79	3,32,953	3.53
2,001 - 3,000	63	0.50	1,56,056	1.66
3,001 - 4,000	31	0.25	1,09,762	1.16
4,001 - 5,000	12	0.10	53,959	0.57
5,001 - 10,000	31	0.26	2,27,635	2.42
10,001 and above	25	0.18	66,96,517	71.05
<b>Total</b>	<b>12,629</b>	<b>100.00</b>	<b>94,25,000</b>	<b>100.00</b>

### 7.11.2 Category-wise:

Category	Shares (numbers)	Shareholding (%)
Promoter group	61,74,228	65.50
Indian public	30,40,690	32.27
Bodies corporate	1,94,372	2.07
Non-resident Indians	13,627	0.14
Banks and insurance companies	1,083	0.01
Mutual funds	1,000	0.01
<b>Total</b>	<b>94,25,000</b>	<b>100.00</b>



■ Promoter group ■ Indian public ■ Bodies corporate ■ Others

\*Non-resident Indians, banks and insurance companies, mutual funds

#### 7.12 Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the Members as on March 31, 2019 as follows: 86% in electronic form and 14% in physical form.

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

Paid-up share capital of the Company comprises equity shares. It does not have 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.	S S Lalbhai	3,750

#### 7.15 Location of plants

- i) Atul 396 020, Gujarat, India
- ii) GIDC, Ankleshwar 393 002, District Bharuch, Gujarat, India  
Sulphuric acid plant at Ankleshwar is the only plant which is in operation.

#### 7.16 Address for correspondence

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

#### 7.17 E-mail address of grievance redressal office: igc@amal.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 obtained from the Company.



### 7.19 Communication

Half-yearly report sent to each household of the Members	Half-yearly report was not sent to the Members.
Quarterly and half-yearly results	Quarterly and half-yearly results of the Company were sent to the Stock Exchanges immediately after approval by the Board and published in The Financial Express (English) Mumbai editions and Aapla Mahanagar or Mumbai Lakshadweep (Marathi) Mumbai edition. The results were published in accordance with the guidelines of the Stock Exchanges.
Website where displayed	On the website of the Company: <a href="http://www.amal.co.in">www.amal.co.in</a> On the website of the Stock Exchange: <a href="http://www.bseindia.com">www.bseindia.com</a>
Official news releases	Official news releases as and when issued are placed on the website of the Company.
Presentations made to the institutional investors or to the analysts	No presentation were made to institutional investors or analysts during the year.
Management Discussion and Analysis	Management Discussion and Analysis is part of the Annual Report.

### 7.20 Tentative Board meeting dates for consideration of results for 2019-20

No.	Particulars	Dates
1.	First quarter results	July 19, 2019
2.	Second quarter and half-yearly results	October 18, 2019
3.	Third quarter results	January 17, 2020
4.	Fourth quarter and annual results	April 23, 2020

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

The Company is exempted under Regulation 15 (2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) from the compliance with the corporate governance requirements, however the Company voluntarily complied with major provisions of Corporate Governance prescribed under the Regulations.

### 9. Payment to Statutory Auditors

During 2018-19, ₹ 5.05 lakhs was paid by the Company to the Statutory Auditors | entities in network firm | network entity of which the Statutory Auditors are member.

### 10. Evaluation by the Independent Directors

The Independent Directors at their meeting held on January 11, 2019 carried out annual evaluation in accordance with the Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### 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 R Kumar, Managing Director and Mr Y S Vyas, CFO issued a certificate to the Board as prescribed under Regulation 17(8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said certificate was placed before the Board at the meeting held on April 18, 2019 in which the accounts for the year ended March 31, 2019 were considered and approved by the Board.

**13. Certification by the Practising Company Secretary**

The above report on Corporate Governance is given on voluntary basis as the Company is not mandatorily required to comply with the requirement in this regard. For this reason the certificate from the Practising Company Secretary is also not obtained.

**14. Declaration by the Managing Director**

In accordance with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, all the Directors and Senior Management Personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board.

For Amal Ltd

Mumbai  
April 18, 2019

(R Kumar)  
Managing Director

# Notice

NOTICE is hereby given that the 45<sup>th</sup> Annual General Meeting of the Members of Amal Ltd will be held on Friday, July 19, 2019, 11:30 am at The Synthetic and Art Silk Mills Research Association, Sasmira, Sasmira Marg, Worli, Mumbai 400 030, Maharashtra, India to transact the following business:

## Ordinary business:

01. To receive, consider and adopt the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Directors and the Auditors thereon.
02. To appoint a Director in place of Mr T R Gopi Kannan (DIN: 00048645) who retires by rotation and being eligible, offers himself for reappointment.

## Special business:

03. To consider and, if thought fit, pass, with or without modifications, the following resolution as a special resolution:  
'RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, and the Articles of Association of the Company, consent of the Company be and is hereby accorded to the Board of Directors (Board) to borrow moneys by way of loans, debentures or otherwise from time to time for business purpose upon such terms and conditions as the Board may in its absolute discretion deem fit even if the moneys to be borrowed together with moneys already borrowed by the Company (apart from temporary loans obtained from the bankers of the Company in the ordinary course of business) may exceed the aggregate of the paid-up share capital and free reserves of the Company. PROVIDED however that the total amount of moneys so borrowed will not exceed ₹ 100 crores over and above the paid-up share capital, free reserves and securities premium'

RESOLVED FURTHER THAT the Board of Directors | Managing Director | Chief Financial Officer | Company Secretary be and they are hereby severally 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.

## Notes

01. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself | herself and the proxy need not be a Member. A person can act as proxy on behalf of not more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy is effective, the instrument appointing the proxy must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting, that is, by 11:30 am on Tuesday, July 17, 2019.
02. 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, 2019 are annexed | attached.
03. The Register of Members and the Share Transfer Books of the Company will remain closed from July 06, 2019 to July 12, 2019 (both days inclusive).
04. Electronic copy of the Annual Report for 2018-19 is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants; however, a print copy is being sent in the permitted mode to such Members who may have so requested and to the Members who have not so registered.
05. Electronic copy of the Notice, *inter alia* indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants for communication purposes unless any Member has requested for a print copy of the same. For the Members who have not so registered, physical copy of the Notice of the 45<sup>th</sup> Annual General Meeting *inter alia* indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.

06. The Members may also note that the Notice of the 45<sup>th</sup> Annual General Meeting (AGM) and the Annual Report for 2018-19 will also be available on the website of the Company, [www.amal.co.in](http://www.amal.co.in) which can be downloaded. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for inspection during normal business hours on working days on or before the date of the AGM. Even after registering for e-communication, the Members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.
07. 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 at the Annual General Meeting.
08. The Members desiring any information relating to the accounts, are requested to write to the Company at least 7 days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide at the AGM.
09. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members facility to exercise their right to vote at the 45<sup>th</sup> Annual General Meeting by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Ltd (CDSL).
- 9.1. The instructions for remote e-voting are as under:
- i) Log on to the e-voting website: [www.evotingindia.com](http://www.evotingindia.com)
  - ii) Click on 'Shareholders' tab
  - iii) Enter User ID as determined from the following table:

User ID for the Members holding shares in dematerialised (demat) form with CDSL	the 16-digit beneficiary ID
User ID for the Members holding shares in demat form with NSDL	the 8-character DP ID followed by 8-digit client ID
User ID for the Members holding shares in physical form	the folio number of the shares held in the Company
  - iv) Enter image verification details as displayed on the screen and click on 'Login'
  - v) The Members who are already registered with CDSL and have exercised e-voting through [www.evotingindia.com](http://www.evotingindia.com) earlier may follow the steps given below:
    - a. Use the existing password.
    - b. Click on the Electronic Voting Serial Number of Amal Ltd for voting.
    - c. 'Resolution description' appears 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.
    - d. Click on the 'Resolutions file link' to view the details.
    - e. After selecting the resolution, click on 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok' else click on 'Cancel'.
    - f. After voting on a resolution, the Members will not be allowed to modify their vote.
    - g. A print of the voting done may be taken by clicking on 'Click here to print' tab on the voting page.
    - h. In case, a Member holding shares in demat form forgets his password, he can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.
  - vi) The Members (holding shares in 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:
    - a. Register as under:
      - » The Members who have already submitted their Permanent Account Number (PAN) to the Company | Depository Participant (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 attendance slip.



- » Enter Date of birth (DOB) as recorded in demat account or in records of the Company for the said demat account or folio in dd | mm | yyyy format.  
or  
Enter the Dividend Bank Details (DBD) as recorded in demat account or in 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 dematerialised (demat) form with CDSL	the 16-digit beneficiary ID
User ID for the Members holding shares in demat form with NSDL	the 8-character DP ID followed by 8-digit client ID
User ID for the Members holding shares in physical form	the folio number of the shares held in the Company

- b. After entering these details appropriately, click on 'Submit'.
  - c. The Members holding shares in physical form will reach the Company selection screen. However, the Members holding shares in demat form will reach 'Password creation' menu and will have to enter 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.
  - d. The Members holding shares in physical form can use login details only for e-voting on the resolutions contained in this Notice.
  - e. Click on the Electronic Voting Serial Number of Amal Ltd for voting.
  - f. 'Resolution description' appears 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.
  - g. Click on the 'Resolutions file link' to view the details.
  - h. After selecting the resolution, click on 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok' else click on 'Cancel'.
  - i. After voting on a resolution, the Members will not be allowed to modify their vote.
  - j. A print of the voting done may be taken by clicking on 'Click here to print' tab on the voting page.
  - k. In case a Member holding shares in demat form forgets his password, he can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.
- vii) Note for the Non-individual Member and the Custodian:
- a. Non-individual Member (that is, other than Individuals, Hindu Undivided Family, Non-Resident Individual) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - b. A scanned copy of the registration form bearing the stamp and sign of the entity will be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - c. 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.
  - d. The list of accounts will be e-mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts votes can be cast.
  - e. 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 PDF format in the system for verification by the Scrutiniser.
- viii) The Members can also use mobile application 'm-Voting' of CDSL for e-voting using their e-voting credentials.

- ix) In case of queries or issues regarding e-voting, the Members may refer to the 'Frequently asked questions' and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under 'help' section or write an e-mail to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- 9.2 The remote e-voting period commences on July 16, 2019 (at 9:00 am) and ends on July 18, 2019 (at 5:00 pm). During this period, the Members holding shares either in physical form or in demat form, as on the cut-off date of July 12, 2019, may cast their votes electronically. The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, no change will be allowed subsequently.
- 9.3 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 12, 2019.
- 9.4 Nilesh A Pradhan and Co. LLP 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.
- 9.5 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.
- 9.6 The results will be declared at or after the AGM. The results declared along with the Scrutiniser's Report will be placed on [www.amal.co.in](http://www.amal.co.in), the website of the Company and on [www.evotingindia.com](http://www.evotingindia.com), the website of CDSL within two days of passing of the resolutions at the AGM and will also be communicated to the BSE Ltd.
10. The facility for voting through ballot | polling paper will also be made available at the venue of the Annual General Meeting (AGM). The Members attending the meeting who have not already cast their vote through remote e-voting will be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the AGM, but will not be entitled to cast their vote again.
11. The Members may send their comments on or suggestions for improvement of the Annual Report by e-mail to [sec@amal.co.in](mailto:sec@amal.co.in)
12. At the ensuing Annual General Meeting, Mr T R Gopi Kannan 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:

<b>Name</b>	<b>Mr T R Gopi Kannan</b>
Date of birth	March 30, 1959
Brief résumé	<p>Mr T R Gopi Kannan is a Director of the Company since September 2010. Mr Gopi Kannan is also a Member of the Corporate Social Responsibility Committee and the Stakeholders Relationship Committee of the Board.</p> <p>Mr T R Gopi Kannan has experience of 34 years in various capacities and is currently the Chief Financial Officer and Whole-time Director in Atul Ltd.</p> <p>Mr Gopi Kannan 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 and holds a postgraduate diploma in Management</p>



<b>Name</b>	<b>Mr T R Gopi Kannan</b>
Directorship in other companies	<b>Public companies</b> Atul Ltd Atul Bioscience Ltd Atul Elkay Polymers Ltd - Chairman Atul Finserv Ltd - Chairman Atul Fin Resources Ltd Atul Nivesh Ltd Atul Rajasthan Date Palms Ltd Rudolf Atul Chemicals Ltd  <b>Foreign companies</b> Atul China Ltd - Chairman Atul Deutschland GmbH - Chairman
Membership in committees of other companies	<b>Chairman of Committee</b> Rudolf Atul Chemicals Ltd – Corporate Social Responsibility Committee  <b>Member of Committees</b> Atul Ltd – Stakeholders Relationship Committee Atul Ltd – Risk Management Committee Atul Bioscience Ltd – Audit Committee Rudolf Atul Chemicals Ltd – Audit Committee Rudolf Atul Chemicals Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	Nil

13. Route map for the venue of the AGM is given separately.

Registered office:  
Atul House  
310 B, Veer Savarkar Marg, Dadar (West)  
Mumbai 400 028, Maharashtra  
India  
CIN: L24100MH1974PLC017594  
April 18, 2019

By order of the Board of Directors

(R Kumar)  
Managing Director

CIN: Company Identification Number  
CPN: Certificate of Practice Number  
DIN: Director Identification Number  
FRN: Firm Registration Number

### **Explanatory statement**

The following Explanatory statement, as required by Section 102 of the Companies Act, 2013, sets out material facts including the nature and concern or interest of the Directors in relation to the items of special business under Item number 03 mentioned in the accompanying Notice:

### **Item number 03**

The Members in its meeting held on August 01, 2014 had approved borrowing money by the Company up to a limit of ₹ 25 cr over and above paid-up share capital and free reserves of the Company.

Taking into account the future finance requirements for growth plans and expansion programs being contemplated and undertaken by the Company and to cater to the working capital needs, a fresh resolution is proposed in line with the requirements of Section 180(1)(c) of the Companies Act, 2013.

Accordingly the proposal for borrowing moneys up to a limit of ₹ 100 cr over and above the paid-up share capital, free reserves and securities premium of the Company is being placed for approval by way of special resolution by the Members.

The Board recommends the above special resolution for the approval of the Members.

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.

Registered office:

Atul House

310 B, Veer Savarkar Marg

Mumbai 400 028, Maharashtra

India

CIN: L24100MH1974PLC017594

April 18, 2019

By order of the Board of Directors

(R Kumar)

**Managing Director**

CIN: Company Identification Number

CPN: Certificate of Practice Number

DIN: Director Identification Number

FRN: Firm Registration Number

# Performance trend

(₹ lakhs)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
<b>Operating results</b>						
Sales and other income	3,344.13	3,197.22	2,579.26	2,324.01	1,901.57	1,645.41
PBDT	1,050.93	1,009.07	927.59	173.01	(28.73)	74.76
Depreciation	53.73	38.21	37.29	36.60	33.98	31.92
Profit   (Loss) from operations before tax	997.20	970.86	890.30	136.41	(62.71)	42.84
Exceptional income   (expense)	-	-	-	-	5.03	248.84
Profit   (Loss) after tax	774.28	970.86	890.30	136.41	(57.68)	291.68
<b>Financial position</b>						
Net block	939.03	682.20	626.12	617.99	598.94	545.06
Net current and other assets	1,320.60	1,181.82	417.84	(161.87)	(428.52)	(316.97)
Capital employed	2,082.48	1,864.02	1,043.96	456.12	170.42	228.09
Equity share capital	942.50	942.50	702.50	702.50	702.50	702.50
0% Redeemable Preference share capital	-	-	-	-	-	1,000.00
Reserves and surplus	691.04	(83.23)	(1,054.10)	(1,944.40)	(2,080.80)	(3,382.88)
Advance towards share capital	-	-	240.00	240.00	240.00	240.00
Shareholders funds	1,633.54	859.27	(111.60)	(1,001.90)	(1,138.30)	(1,440.38)
Borrowings	448.94	1,004.75	1,155.56	1,458.02	1,308.72	1,668.47
<b>Per equity share (₹)</b>						
EPS	8.22	11.92	12.65	1.94	(0.82)	4.15
Book value	17.33	9.12	(1.59)	(14.26)	(16.20)	(20.50)

\*Figures for the year prior to 2014-15 are as per old schedule VI

# Independent Auditor's Report

## To the Members of Amal Limited Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying Financial Statements of Amal Limited (the Company), which comprise the Balance Sheet as at March 31, 2019, 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.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2019 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the 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 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 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 Financial Statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Key audit matter	Auditor's response
<b>Revenue from sale of goods to holding company</b>  Significant revenue of the Company is generated through sale of goods to its holding company. Occurrence of such transactions and their pricing on an arm's length basis were significant areas of audit focus.	<p>Our procedures included but were not limited to:</p> <ul style="list-style-type: none"><li>-Obtaining a detailed understanding of the processes, controls and policies of the management with respect to related party transactions.</li><li>-Evaluation of the design of controls including approvals and related compliances.</li><li>-Testing implementation and operating effectiveness of the controls that address risks relating to the occurrence and the pricing.</li><li>-Performing following procedures on the samples selected:<ul style="list-style-type: none"><li>-Reading and verification of the terms of the purchase orders. Performing corroborative inquiries for the business rational on pricing and relevant terms and conditions, including sighting evidences of transaction of similar products on identical terms with unrelated parties.</li><li>-Verification of necessary approvals as per the authorisation matrices.</li><li>-Verification of documentary evidences around deliveries and subsequent realisation, and obtaining balance confirmations.</li><li>-Performing analytical procedures and trend analysis</li><li>-Assessing adequacy and appropriateness of the disclosures in the Financial Statements.</li></ul></li></ul>



## Information other than the Financial Statements and Auditor's Report thereon

- The Board of Directors of the Company is responsible for the other information. The other information comprises the information included in the Corporate profile, Letter to shareholders, Directors' report and its annexure, Management Discussion and Analysis, Corporate Governance report and Performance trend but does not include Financial Statements and our Auditor's Report thereon.
- Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- 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 Financial Statements

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 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 judgments 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

## Auditor's responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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.

- 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- 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 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.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the 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 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 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.

#### **Report on other legal and regulatory requirements**

1. As required by Section 143(3) of the Act, based on our audit 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.
  - 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, the Statement of Cash Flow and the Statement of changes in equity dealt



with by this Report are in agreement with the relevant books of account.

- d) In our opinion, the aforesaid 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, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 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 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

- 2. As required by the Companies (Auditor's Report) Order, 2016 (the Order) issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure B 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

(Samir R. Shah)

**Partner**

Mumbai  
April 18, 2019

Membership number: 101708

# Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(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 Amal Limited (the Company) as of March 31, 2019 in conjunction with our audit of the 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. 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 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**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India 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 was established and maintained and if such controls operated effectively in all material respects.

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 Auditors, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

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**

Internal financial control over financial reporting of a 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 Generally Accepted Accounting Principles. Internal financial control over financial reporting of a company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with 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 (3) 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**

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, 2019, based on the criteria for internal financial control over financial reporting 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 issued by the Institute of Chartered Accountants of India.

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

Firm Registration number: 117366W | W-100018

Mumbai  
April 18, 2019

(Samir R. Shah)

**Partner**

Membership number: 101708

# Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on other legal and regulatory requirements' section of our report of even date)

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) Some of the fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According

to the information and explanation given to us, no material discrepancies were noticed on such verification.

- c) 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, comprising all the immovable properties, are held in the name of the Company as at the Balance Sheet date, except for the following land and buildings:

Particulars of the land and building	Gross Block as at March 31, 2019 (₹ 000)	Net Block as at March 31, 2019 (₹ 000)	Remarks
Freehold land at Ankleshwar	333	333	The title deeds are in the name of Amal Products Limited, former name of the Company.
Freehold land at Atul	220	220	
Leasehold land at Ankleshwar	2,885	2,701	
Building (residential flat) at Atul	232	206	
Building (residential flats) at Ankleshwar	838	743	The title deeds are in the name of Amal Rasayan Limited, former name of the Company.

2. As explained to us, the inventories (other than goods in transit) were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 (the Act).
4. The Company has not granted any loans, made investments other than in mutual funds or provided guarantees and hence reporting under Clause (iv) of the Order is not applicable.
5. According to the information and explanations given to us, the Company has not accepted any deposit during the year and unclaimed deposits, hence reporting under Clause (v) of the Order is not applicable.
6. The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Act.
7. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, cess, goods and service tax and other material statutory dues applicable to it to the appropriate authorities.
  - b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, cess, goods and service tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.



- c) There are no disputed dues of income tax and goods and service tax which have not been deposited as on March 31, 2019.

Details of dues of sales tax which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount (₹ 000)
The Gujarat Sales Tax Act, 1969	Sales tax (including interest and penalty)	High Court of Gujarat	1999-00	1,039
The Gujarat Sales Tax Act, 1969	Sales tax (including interest and penalty)	Joint Commissioner, Surat	2001-02 to 2003-04	5,247
CST Act, 1956	Sales tax (including interest and penalty)	Gujarat Value Added Tax Tribunal, Ahmedabad	2003-04	331*

\*net of ₹ 50,000/- paid under protest

8. The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under Clause (viii) of the Order is not applicable to the Company.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid | provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Financial Statements, etc as required by the applicable accounting standards.
14. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause (xiv) of CARO 2016 is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or Directors of the holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**For Deloitte Haskins & Sells LLP**  
Chartered Accountants

Firm Registration number: 117366W | W-100018

(Samir R. Shah)

**Partner**

Mumbai  
April 18, 2019

Membership number: 101708

# Balance Sheet as at March 31, 2019

(₹ 000)

Particulars		Note	As at March 31, 2019	As at March 31, 2018
<b>A ASSETS</b>				
<b>1 Non-current assets</b>				
a)	Property, plant and equipment	2	93,766	59,864
b)	Capital work-in-progress	2	137	8,356
c) Financial assets				
i)	Investments	3(a)	210	210
ii)	Other financial assets	3(c)	3,905	3,905
d)	Income tax assets (net)	4	2,413	87
e)	Other non-current assets	5	4	5
<b>Total non-current assets</b>			<b>1,00,435</b>	<b>72,427</b>
<b>2 Current assets</b>				
a)	Inventories	6	10,324	10,398
b) Financial assets				
i)	Investments	3(b)	94,930	41,874
ii)	Trade receivables	7(a)	1,15,107	83,938
iii)	Cash and cash equivalents	7(b)	1,101	31,730
c)	Other current assets	5	4,417	4,073
<b>Total current assets</b>			<b>2,25,879</b>	<b>1,72,013</b>
<b>Total assets</b>			<b>3,26,314</b>	<b>2,44,440</b>
<b>B EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
a)	Equity share capital	8(a)	94,250	94,250
b)	Other equity	8(b)	69,104	(8,323)
<b>Total equity</b>			<b>1,63,354</b>	<b>85,927</b>
<b>Liabilities</b>				
<b>1 Non-current liabilities</b>				
a) Financial liabilities				
i)	Borrowings	9	44,894	1,00,475
b)	Provisions	10	294	136
c)	Deferred tax liabilities (net)	22	17,631	-
<b>Total non-current liabilities</b>			<b>62,819</b>	<b>1,00,611</b>
<b>2 Current liabilities</b>				
a) Financial liabilities				
i) Trade payables				
Total outstanding dues of				
a)	Micro enterprises and small enterprises	11(a)	30	56
b)	Creditors other than micro enterprises and small enterprise	11(a)	19,133	19,385
ii) Other financial liabilities				
a) Other current liabilities				
b) Other current liabilities				
c) Provisions				
<b>Total current liabilities</b>			<b>1,00,141</b>	<b>57,902</b>
<b>Total liabilities</b>			<b>1,62,960</b>	<b>1,58,513</b>
<b>Total equity and liabilities</b>			<b>3,26,314</b>	<b>2,44,440</b>

The accompanying Notes 1-38 form an integral part of the Financial Statements

In terms of our report attached		For and on behalf of the Board of Directors	
For Deloitte Haskins & Sells LLP Chartered Accountants		S S Lalbhai Chairman	
Samir R. Shah Partner	Y S Vyas Chief Financial Officer	S. Mahalakshmi T R Gopi Kannan S A Shah A R Jadeja Directors	R Kumar Managing Director
Mumbai April 18, 2019	A T Mankodi Company Secretary		Mumbai April 18, 2019

# Statement of Profit and Loss for the year ended March 31, 2019



(₹ 000)

Particulars	Note	2018-19	2017-18
<b>INCOME</b>			
Revenue from operations	13	3,28,707	3,23,180
Other income	14	5,706	3,293
<b>Total income</b>		<b>3,34,413</b>	<b>3,26,473</b>
<b>EXPENSES</b>			
Cost of materials consumed	15	1,12,223	1,13,836
Changes in inventories of finished goods and work-in-progress	16	(390)	(91)
Excise duty		-	6,751
Power, fuel and water	17	26,665	26,349
Repairs and maintenance	18	30,177	24,229
Employee benefit expenses	19	9,915	6,988
Finance costs	20	23,839	24,739
Depreciation and amortisation expenses	2	5,373	3,821
Other expenses	21	26,814	22,810
<b>Total expenses</b>		<b>2,34,616</b>	<b>2,29,432</b>
<b>Profit before tax</b>		<b>99,797</b>	<b>97,041</b>
<b>Tax expense</b>			
Current tax	22(a)	4,661	-
Deferred tax	22(a)	17,631	-
<b>Total tax expense</b>		<b>22,292</b>	<b>-</b>
<b>Profit for the year</b>		<b>77,505</b>	<b>97,041</b>
<b>Other comprehensive income</b>			
a) Items that will not be reclassified to profit   loss			
i) Remeasurement gain   (loss) on defined benefit plans (net of taxes)	29	(77)	45
<b>Total comprehensive income for the year</b>		<b>77,428</b>	<b>97,086</b>
<b>Earnings per equity share (EPS) (face value of ₹ 10 per share):</b>			
Basic EPS (₹ per share)	25	8.22	11.92
Diluted EPS (₹ per share)		8.22	10.30
<b>The accompanying Notes 1-38 form an integral part of the Financial Statements</b>			

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants

S S Lalbhai  
Chairman

Samir R. Shah  
Partner

Y S Vyas  
Chief Financial Officer

S. Mahalakshmi  
T R Gopi Kannan  
S A Shah  
A R Jadeja  
Directors

R Kumar  
Managing Director

Mumbai  
April 18, 2019

A T Mankodi  
Company Secretary

Mumbai  
April 18, 2019

# Statement for changes in equity for the year ended March 31, 2019

## A. Equity share capital

(₹ 000)

Particulars	Note	Amount
As at March 31, 2017		70,250
Changes in equity share capital during the year		
Issue of equity share	8(a)(i)	24,000
As at March 31, 2018		94,250
Changes in equity share capital during the year		-
As at March 31, 2019	8(a)	94,250

## B. Other equity

(₹ 000)

Particulars	Note	Share application money pending allotment	Reserves and surplus		Other equity (capital contributions from Atul Ltd)	Total other equity
			Security premium	Retained earnings		
As at March 31, 2017		24,000	87,688	(3,57,755)	1,64,657	(81,410)
Profit for the year		-	-	97,041	-	97,041
Other comprehensive income		-	-	45	-	45
Issue of equity share		(24,000)	-	-	-	(24,000)
As at March 31, 2018		-	87,688	(2,60,669)	1,64,657	(8,324)
Profit for the year		-	-	77,505	-	77,505
Other comprehensive income		-	-	(77)	-	(77)
As at March 31, 2019	8(b)	-	87,688	(1,83,241)	1,64,657	69,104

The accompanying Notes 1-38 form an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants

S S Lalbhai  
Chairman

Samir R. Shah  
Partner

Y S Vyas  
Chief Financial Officer

S. Mahalakshmi  
T R Gopi Kannan

R Kumar  
Managing Director

Mumbai  
April 18, 2019

A T Mankodi  
Company Secretary

S A Shah  
A R Jadeja  
Directors

Mumbai  
April 18, 2019

# Statement of Cash Flows for the year ended March 31, 2019



(₹ 000)

Particulars	2018-19	2017-18
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	99,797	97,041
Adjustments for:		
Add:		
Depreciation and amortisation expenses	5,373	3,821
Finance costs	23,839	24,739
	29,212	28,560
	1,29,009	1,25,601
Less:		
Gain from investments measured at FVPL	5,145	2,138
Interest income from financial assets measured at amortised cost	348	1,103
Surplus on sale of fixed assets	60	-
	5,553	3,241
Operating profit before change in operating assets and liabilities	1,23,456	1,22,360
Adjustments for:		
(Increase)   Decrease in inventories	74	732
(Increase)   Decrease in trade receivables	(31,169)	(41,004)
(Increase)   Decrease in other assets	(419)	2,483
Increase   (Decrease) in trade payables	(278)	(278)
Increase   (Decrease) in other financial liabilities	692	(723)
Increase   (Decrease) in other current liabilities	2,371	(752)
Increase   (Decrease) in current provisions	33	8
Increase   (Decrease) in non-current provisions	158	(31)
	(28,538)	(39,565)
Cash generated from operations	94,918	82,795
Less:		
Income tax paid (net of refund)	(6,987)	(76)
<b>Net cash flow from operating activities</b>	<b>A 87,931</b>	<b>82,719</b>

# Statement of Cash Flows for the year ended March 31, 2019

(₹ 000)

Particulars	2018-19	2017-18
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment towards property, plant and equipment (including capital advance)	(31,081)	(9,428)
Proceeds from disposal of property, plant and equipment	84	-
Payment towards investments (net)	(47,911)	(20,654)
Proceeds from fixed deposits	-	500
Interest received on financial assets measured at amortised cost	348	1,103
<b>Net cash used in investing activities</b>	<b>B (78,560)</b>	<b>(28,479)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(40,000)	(40,000)
<b>Net cash used in financing activities</b>	<b>C (40,000)</b>	<b>(40,000)</b>
<b>Net increase   (decrease) in cash and cash equivalents</b>	<b>A+B+C (30,629)</b>	<b>14,240</b>
Cash and cash equivalents at the beginning of the year	31,730	17,490
Cash and cash equivalents at the end of the year	1,101	31,730

## Notes

- The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015 as amended.
- Cash flows from operating activities includes ₹ 18.32 lakhs (March 31, 2018: ₹ 6.46 lakhs) being expenses towards Corporate Social Responsibility initiatives.
- Refer Note 9(viii) for reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-38 form an integral part of the Financial Statements

In terms of our report attached

For and on behalf of the Board of Directors

For Deloitte Haskins & Sells LLP  
Chartered Accountants

S Lalbhai  
Chairman

Samir R. Shah  
Partner

Y S Vyas  
Chief Financial Officer

S. Mahalakshmi  
T R Gopi Kannan  
S A Shah

R Kumar  
Managing Director

Mumbai  
April 18, 2019

A T Mankodi  
Company Secretary

A R Jadeja  
Directors

Mumbai  
April 18, 2019



## Background

Amal Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. The Company is a subsidiary company of Atul Ltd. Its registered office is located at Atul House, 310 B, Veer Savarkar Marg, Dadar (West), Mumbai 400 028, Maharashtra, India and its principal place of business is located at Ankleshwar 393 002, Gujarat, India.

The Company is engaged in manufacturing of bulk chemicals such as Sulphuric acid and Oleum and their downstream products such as Sulphur dioxide and Sulphur trioxide.

## Note 1 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Company in the preparation of these Financial Statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

### a) Basis of preparation:

#### i) Compliance with Ind AS:

The Financial Statements comply in all material aspects 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.

#### ii) Historical cost convention:

The Financial Statements have been prepared on a historical cost basis except for the following:

- a) Certain financial assets and liabilities: measured at fair value
- b) Defined benefit plans: plan assets measured at fair value

#### iii) Recent accounting pronouncements:

Standards issued but not yet effective:

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing Ind AS 17 Leases and related Interpretations. The Standard sets out the principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract that is, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessee. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 01, 2019. The Standard permits two possible methods of transition:

- a) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- b) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right-of-use asset either as:

- a) its carrying amount as if the Standard had been applied since the commencement date, but discounted at incremental borrowing rate of the lessee at the date of initial application or
- b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

The Company will adopt the Standard on April 01, 2019 by using the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained

# Notes to the Financial Statements

## Note 1 Significant accounting policies (continued)

earnings, on the date of initial application (April 01, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. No material impact on Ind AS 116 is expected.

Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The effect on adoption of Ind AS 12 Appendix C is not expected to be material in the Financial Statements.

Amendment to Ind AS 12, Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, Income Taxes, in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity will recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

The amendment will be effective from April 01, 2019. The Company does not have any impact on account of this amendment.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement - On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- a) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- b) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

### b) Foreign currency transactions:

#### i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation 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 Statement of Profit and Loss. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense).

Non-monetary items that are measured at fair value 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).



## Note 1 Significant accounting policies (continued)

### c) Revenue recognition:

#### i) Revenue from contracts with customers:

The Company adopted Ind AS 115, 'Revenue from Contracts with Customers' using the modified retrospective transition method effective from April 01, 2018.

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 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 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 upto 90 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 the government which are levied on sales such as goods and services tax.

#### ii) Other revenue:

Dividends are recognised in the 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.

### d) Income taxes:

The income tax expense or credit for the period is the tax payable on the taxable income of the current period based on the applicable income tax rates adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

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.

The Company was declared sick by the Board for Industrial and Financial Reconstruction (BIFR) under section 17(1) of SICA (Special Provisions), 1985 and hence MAT under section 115JB of the Income Tax Act, 1961 is not applicable.

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 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 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.

# Notes to the Financial Statements

## Note 1 Significant accounting policies (continued)

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, respectively.

### e) Leases:

#### As a lessee:

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate expected inflationary cost increases for the lessor.

#### As a lessor:

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 expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the 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 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. Lease rental attributable to the operating lease are charged to the Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of Effective Interest Rate (EIR).

### f) 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 Statement of Profit and Loss during the period in which they are incurred. Gains | losses arising on retirement or disposal of assets are recognised in the 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 which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on the straight-line method to allocate the cost of assets, net of their residual



## Note 1 Significant accounting policies (continued)

values, over their estimated useful lives.

Depreciation is calculated on a pro-rata basis from the date of acquisition | installation till the date the assets are sold or disposed of:

Asset category	Estimated useful life
Buildings	5 to 60 years
Plant and equipment <sup>1</sup>	5 to 20 years
Vehicles <sup>1</sup>	6 to 10 years
Office equipment and furniture	3 to 10 years

<sup>1</sup>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.

Land accounted under finance lease is amortised on a straight-line basis over the primary period of lease.

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.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned 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.

### g) Impairment of assets:

The carrying amounts of assets are reviewed at each 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 would have been determined if no impairment loss had previously been recognised.

### h) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (3 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.

### i) 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.

### j) 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 after the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

### k) Inventories:

Inventories are stated at cost or net realisable value whichever is lower. Cost is determined on First-In-First-Out basis.

# Notes to the Financial Statements

## Note 1 Significant accounting policies (continued)

Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make 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.

Items such as spare parts, stand-by equipment and servicing equipment which is not plant and machinery gets classified as inventory.

### l) Investments and other financial assets:

#### Classification:

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 (FVOCI) or through profit or loss (FVPL)
- ii) Those measured at amortised cost.

The classification depends on the 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 (OCI). 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 investment at fair value through other comprehensive income.

#### 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 the case of financial asset not recorded at FVPL, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at FVPL are expensed in the Statement of Profit and Loss.

#### Subsequent measurement:

After initial recognition, financial asset is measured at:

- i) fair value (either through FVOCI or through FVPL) or,
- ii) amortised cost

#### Debt instruments:

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 Statement of Profit and Loss.

Measured at fair value through other comprehensive income (OCI):

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 FVOCI. 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 de-recognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

Measured at fair value through profit or loss (FVPL):

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. 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 Statement of Profit and Loss.



## Note 1 Significant accounting policies (continued)

### 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 Management of the Company has elected to present fair value gains and losses on such equity investments through FVPL, and there is no subsequent reclassification of these fair value gains and losses to OCI. 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 FVPL are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

### 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 FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade and lease receivable 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.

### De-recognition:

A financial asset is de-recognised only when the Company has transferred the rights to receive cash flows from the financial asset or, the asset expires or 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 de-recognised through Statement of Profit and Loss or OCI as applicable. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not de-recognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is de-recognised 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 fair value.

#### iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the EIR method. Financial liabilities carried at FVPL are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

#### iv) De-recognition:

A financial liability is de-recognised when the obligation specified in the contract is discharged, cancelled or expired.

# Notes to the Financial Statements

## Note 1 Significant accounting policies (continued)

### m) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the 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.

### n) 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 EIR 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. In this case, the fee is deferred until the draw down occurs.

Borrowings are removed from the 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.

### o) 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.

### p) 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.

### q) Employee benefits:

#### Defined benefit plan:

##### Gratuity

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation



## Note 1 Significant Accounting Policies (continued)

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 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 represented by creation of separate fund and is used 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 Statement of Profit and Loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by 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 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 OCI. They are included in retained earnings in the statement of changes in equity and in the 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.

### Defined contribution plan

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labour Welfare Fund are charged as an expense to 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.

### 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. Compensation payable under Voluntary Retirement Scheme is being charged to Statement of Profit and Loss in the year of settlement.

### 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.

The obligations are presented as current liabilities in the Balance Sheet if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

### r) Research and Development expenditure:

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. Research and Development expenditure on property, plant and equipment is treated in the same way as expenditure on other property, plant and equipment.

s) **Earnings per share (EPS):**

Basic 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 or loss for the period attributable to equity shareholders and the weighted average number of additional equity shares that would have been outstanding are considered assuming the conversion of all dilutive potential equity shares. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

t) **Contributed equity:**

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### Critical estimates and judgements

Preparation of Financial Statements requires use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgements or complexity, and of items which 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 are included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

- i) Estimation of defined benefit obligation: refer Note 29
- ii) Fair value measurements: refer Note 32
- iii) Estimation of Deferred tax assets:

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

# Notes to the Financial Statements



(₹ 000)

Note 2 Property, plant and equipment <sup>3</sup>									
Particulars	Land-freehold	Land-leasehold <sup>1</sup>	Buildings <sup>2</sup>	Plant and equipment <sup>2</sup>	Furniture and fixtures	Vehicles	Office equipment	Total	Capital work-in-progress
<b>Gross carrying amount</b>									
As at March 31, 2017	553	2,885	5,240	60,427	136	1	94	69,336	615
Additions	-	-	-	1,478	-	-	210	1,688	7,741
Disposals and adjustments	-	-	-	-	-	-	-	-	-
As at March 31, 2018	553	2,885	5,240	61,905	136	1	304	71,024	8,356
Additions	-	-	927	36,251	845	-	1,277	39,300	(8,219)
Disposals and adjustments	-	-	-	(500)	-	-	-	(500)	-
As at March 31, 2019	553	2,885	6,167	97,656	981	1	1,581	1,09,824	137
<b>Depreciation   Impairment   Amortisation</b>									
Up to March 31, 2017	-	92	573	6,589	32	-	53	7,339	-
For the year	-	46	156	3,555	16	-	48	3,821	-
Disposals and adjustments	-	-	-	-	-	-	-	-	-
Up to March 31, 2018	-	138	729	10,144	48	-	101	11,160	-
For the year	-	46	196	4,759	78	-	294	5,373	-
Disposals and adjustments	-	-	-	(475)	-	-	-	(475)	-
Up to March 31, 2019	-	184	925	14,428	126	-	395	16,058	-
<b>Net carrying amount</b>									
As at March 31, 2018	553	2,747	4,511	51,761	88	1	203	59,864	8,356
As at March 31, 2019	553	2,701	5,242	83,228	855	1	1,186	93,766	137

## Notes:

<sup>1</sup>The lease term in respect of leasehold land is 99 years. The lease term in respect of land acquired under finance lease is up to 99 years with ability to opt for renewal of the lease term on fulfillment of certain conditions.

<sup>2</sup>Includes assets retired from active use.

<sup>3</sup>All property, plant and equipment are pledged as security {Refer Note 9(ii)}.

# Notes to the Financial Statements

(₹ 000)

Note 3(a) Non-current investments	Face value (₹)	As at March 31, 2019		As at March 31, 2018	
		Number of shares	Amount	Number of shares	Amount
<b>Investment in equity instruments at FVPL (fully paid-up)</b>					
<b>Unquoted</b>					
Gujarat Synthwood Ltd <sup>1</sup>	10	1,00,000	-	1,00,000	-
Aakar Performance Plastics Ltd	10	880	-	880	-
Valmiki Poly Products Ltd	10	40,000	-	40,000	-
Zoroastrian Co-operative Bank Ltd	25	4,000	-	4,000	-
Bharuch Enviro Infrastructure Ltd	10	21,000	210	21,000	210
Narmada Clean Tech Ltd	10	4,06,686	-	4,06,686	-
<b>Total non-current investments</b>			<b>210</b>		<b>210</b>

<sup>1</sup>Under liquidation

(₹ 000)

	Market Value	Book Value	Market Value	Book Value
<b>Aggregate amount of unquoted investments</b>	NA	210	NA	210

(₹ 000)

Note 3(b) Current investments	As at March 31, 2019		As at March 31, 2018	
	Number of units	Amount	Number of units	Amount
<b>Investments in Mutual Funds</b>				
<b>Quoted</b>				
Axis liquid fund - direct growth (CFDGG)	483	1,001	21,724	41,874
Axis Arbitrage fund - direct dividend payout	85,03,999	93,929	-	-
<b>Total current investments</b>		<b>94,930</b>		<b>41,874</b>

(₹ 000)

	Market Value	Book Value	Market Value	Book Value
<b>Aggregate amount of quoted investments and market value thereof</b>	<b>94,930</b>	<b>94,930</b>	<b>41,874</b>	<b>41,874</b>

# Notes to the Financial Statements



(₹ 000)

Note 3(c) Other financial assets	As at March 31, 2019	As at March 31, 2018
	Non-current	Non-current
Security deposits for utilities and premises Unsecured, considered good	3,905	3,905

(₹ 000)

Note 4 Current tax assets (net)	As at March 31, 2019	As at March 31, 2018
Income tax paid in advance   Tax Deducted at Source	7,074	87
Tax liability	(4,661)	-
	2,413	87

(₹ 000)

Note 5 Other assets	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Income tax refund receivable	-	4	-	4
Balances with the Government authorities	-	-	-	1
Prepaid gratuity	920	-	981	-
Advance to staff	25	-	24	-
Prepayments	316	-	455	-
Interest accrued	1,346	-	1,539	-
Advance to creditors				
i) Unsecured, considered good	1,810	-	1,074	-
ii) Unsecured, considered doubtful	-	-	35	-
	1,810	-	1,109	-
Less: Provision for doubtful advances	-	-	(35)	-
	1,810	-	1,074	-
	4,417	4	4,073	5

(₹ 000)

Note 6 Inventories <sup>1</sup>	As at March 31, 2019	As at March 31, 2018
Raw materials and packing materials	1,966	1,688
Add: Goods-in-transit	1,280	-
	3,246	1,688
Work-in-progress	1,487	1,590
Finished goods	1,206	713
Stores, spares and fuel	4,385	6,407
	10,324	10,398

<sup>1</sup>Valued at cost or net realisable value, whichever is lower

## Notes:

- Inventories are given as security against the secured loan from a related party - (refer Note 9).
- Written-down value of inventories to net realisable value amounted to ₹ 9.32 lakhs. These were recognised as an expense during the year and included in repairs and maintenance in the Statement of Profit and Loss.

# Notes to the Financial Statements

(₹ 000)

Note 7(a) Trade receivables (Unsecured, considered good; unless otherwise stated)	As at March 31, 2019	As at March 31, 2018
Considered good - Unsecured		
i) Related party (refer Note 24)	1,12,792	81,082
ii) Others	2,315	2,856
	<b>1,15,107</b>	<b>83,938</b>

(₹ 000)

Note 7(b) Cash and cash equivalents	As at March 31, 2019	As at March 31, 2018
Balances with banks in current accounts	1,087	1,803
Cash on hand	14	18
Fixed deposits with bank with original maturity of less than 3 months	-	29,909
	<b>1,101</b>	<b>31,730</b>

(₹ 000)

Note 8(a) Equity share capital	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b>		
1,50,00,000 (March 31, 2018: 1,50,00,000) Equity shares of ₹ 10 each	1,50,000	1,50,000
<b>Issued, subscribed and fully paid-up</b>		
94,25,000 (March 31, 2018: 94,25,000) Equity shares of ₹ 10 each	94,250	94,250
	<b>94,250</b>	<b>94,250</b>

i) Movement in equity share capital (₹ 000)

Particulars	Number of shares	Equity share capital
As at March 31, 2017	70,25,000	70,250
Increase during the year	24,00,000	24,000
As at March 31, 2018	94,25,000	94,250
Increase during the year	-	-
As at March 31, 2019	94,25,000	94,250

ii) Rights, preferences and restrictions:

The Company has one class of shares referred to as equity shares having a par value of ₹ 10 each.

a) 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

b) Dividend:

There is currently restriction on payment of dividend. The dividend proposed by the Board is subject to the approval of the shareholders in the ensuing Annual General Meeting.

# Notes to the Financial Statements



## Note 8(a) Equity share capital (continued)

iii) Details of the shareholders holding more than 5% of equity shares:

Name of the shareholder	Nature	As at March 31, 2019		As at March 31, 2018	
		Holding %	Number of shares	Holding %	Number of shares
Atul Finserv Ltd	Promoter	48.48%	45,68,824	48.48%	45,68,824
Aagam Holdings Pvt Ltd	Promoter	10.27%	9,67,809	10.27%	9,67,809
Atul Ltd (Holding Company)	Promoter	4.38%	4,12,453	4.38%	4,12,453

(₹ 000)

Note 8(b) Other equity	As at March 31, 2019	As at March 31, 2018
a) Securities premium reserve	87,688	87,688
b) Retained earnings		
Balance as at the beginning of the year	(2,60,669)	(3,57,755)
Add: Profit for the year	77,505	97,041
Add: Remeasurement gain   (loss) on defined benefit plans (net of taxes)	(77)	45
Balance as at the end of the year	(1,83,241)	(2,60,669)
c) Capital contribution from Atul Ltd (refer Note (ii) below)	1,64,657	1,64,657
	<b>69,104</b>	<b>(8,323)</b>

### Notes:

- 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.
- As per Modified sanctioned Scheme MS-10 and MS-13 approved by the Board of Industrial Finance and Reconstruction, the Company had issued 0% Redeemable Preference shares of ₹ 1,000 lakhs to Atul Ltd (Promoter) and received interest free secured loan of ₹ 1,128.89 lakhs and interest free unsecured loan of ₹ 539.58 lakhs from Atul Ltd. These financial liabilities are measured at amortised cost and the initial fair value difference is recognised as Capital contribution from Atul Ltd.

(₹ 000)

Note 9 Borrowings	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current <sup>1</sup>	Non-current	Current <sup>1</sup>
0% Secured Loans from a related party (refer Note (i), (ii), (iii) and (vi) below and also refer Note 24)	-	53,039	44,752	25,313
0% Unsecured Loans from a related party (refer Note (iii) and (vi) below and also refer Note 24)	-	17,917	14,967	-
70,00,000 (March 31, 2018: 80,00,000) 0% redeemable and non-convertible preference shares of ₹ 10 each (refer Note (iv), (v) and (vi) below and also refer Note 24)	44,894	2,396	40,756	8,618
	<b>44,894</b>	<b>73,352</b>	<b>1,00,475</b>	<b>33,931</b>

<sup>1</sup>Current maturities of long term debt grouped under other financial liabilities (refer Note 11(b))

# Notes to the Financial Statements

## Notes:

- i) The Company had reached one time settlement with the secured creditors (comprising of loans availed from the banks and financial institutions) under which the payments were made directly by the lender Company (Atul Ltd) to them. By way of execution of deed of assignment of debts owed by the Company, the lender Company has now acquired from these banks and financial institutions the debts and rights, title and interest in encumbrances, facility and underlying securities including *inter alia* comprised of all movable and immovable properties that have been charged by the Company in favour of these banks and financial institutions pursuant to the original deed of hypothecation entered into by the Company. The entire dues | debts against the banks and financial institutions have been fully satisfied for which 'no dues | debts certificates' have been obtained from them and the charges have been modified and stands in favour of the lender Company as Secured loans.
- ii) Security:  
The secured loan from related party is secured by the whole immovable and movable properties including machinery, machinery spares, tools and accessories, inventory and other movable assets both present and future.
- iii) Terms of repayment of term loans:  
a. Secured loan from Atul Ltd does not carry any interest and will be repaid in three instalments, first instalment of ₹ 200 lakhs in FY 2017-18 (paid in 2017-18), second instalment of ₹ 300 lakhs in FY 2018-19 (paid during the year) and third instalment will be of ₹ 628.89 lakhs in FY 2019-20 as per the approved modified sanctioned scheme MS-13.  
b. Unsecured loan as on March 31, 2019 also does not carry any interest is repayable after March 31, 2019 upon terms and conditions which will be mutually decided between the Company and the lender Company (Atul Ltd).
- iv) Terms | rights attached to preference shares:  
The Company has only one class of 0% Redeemable preference shares having a par value of ₹ 10 per share. These shares are redeemable at par over a period of 7 years, starting ₹ 100 lakhs every year from financial year 2016-17 to 2019-20 and ₹ 200 lakhs every year from financial year 2020-21 to 2022-23.
- v) Preference share capital

(₹ 000)

a) Details of Preference share capital:	As at March 31, 2019	As at March 31, 2018
<b>Authorised</b> 1,00,00,000 (March 31, 2018: 1,00,00,000) 0% Redeemable and Non-convertible preference shares of ₹ 10 each	1,00,000	1,00,000
<b>Issued, subscribed and fully paid-up</b> 70,00,000 (March 31, 2018: 80,00,000) 0% Redeemable and Non-convertible preference shares of ₹ 10 each	70,000	80,000

- vi) Details of the shareholders holding more than 5% shares in the Company preference share capital

Name of the shareholder	Nature of holding	Preference shares			
		As at March 31, 2019		As at March 31, 2018	
		Holding %	Number of shares	Holding %	Number of shares
Atul Ltd	Promoter	100	70,00,000	100	80,00,000

## Note:

- i) During the year, the Company has redeemed 10,00,000 0% Redeemable and non-convertible Preference shares of ₹ 10 each as per schedule of repayment in the approved modified sanctioned scheme MS-13.



## Note 9 Borrowings (continued)

### vii) Effective Interest Rate

Particulars	Rate
a) Preference shares	14.87%
b) Secured loan	16.99%
c) Unsecured loan	17.99%

### Maturity profile of long-term borrowings

(₹ 000)

Particulars	2019-20	2020-21	2021-22	2022-23
Unsecured loans	17,917	-	-	-
Secured loans	53,039	-	-	-
0% redeemable and non-convertible preference shares	2,396	12,802	14,855	17,237
	<b>73,352</b>	<b>12,802</b>	<b>14,855</b>	<b>17,237</b>

### viii) Net debt reconciliation

(₹ 000)

Particulars	Liabilities from financing activities		
	Non-current borrowings	Current borrowings <sup>1</sup>	Total
Net debt as at March 31, 2018	1,00,475	33,931	1,34,406
Repayments	-	(40,000)	(40,000)
Interest expense	17,771	6,069	23,840
Interest paid	-	-	-
Transfer from non-current to current borrowings	(73,352)	73,352	-
Net debt as at March 31, 2019	<b>44,894</b>	<b>73,352</b>	<b>1,18,246</b>

<sup>1</sup>Current maturities of long-term debt disclosed under other financial liabilities {refer Note 11(b)}.

(₹ 000)

Note 10 Provisions	As at March 31, 2019		As at March 31, 2018	
	Non-current	Current	Non-current	Current
Provision for compensated absences (unfunded) refer note no 29(c)	294	57	136	24
	<b>294</b>	<b>57</b>	<b>136</b>	<b>24</b>

# Notes to the Financial Statements

(₹ 000)

Note 11(a) Trade payables	As at March 31, 2019	As at March 31, 2018
Total outstanding dues of micro enterprises and small enterprises (refer Note 28)	30	56
Related party (refer Note 24)	1,487	697
Others	17,646	18,688
	<b>19,163</b>	<b>19,441</b>

(₹ 000)

Note 11(b) Other current financial liabilities	As at March 31, 2019	As at March 31, 2018
Employee benefits payable	997	699
Retentions payable	1,064	670
Current maturities of long-term borrowings (refer Note 24 and 9)		
i) Loan from related party - secured	53,039	25,313
ii) 70,00,000 (March 31, 2018: 80,00,000) 0% Redeemable and non-convertible preference shares of ₹ 10 each due is 12 months	2,396	8,618
iii) Loans from related party - unsecured loan	17,917	-
	<b>75,413</b>	<b>35,300</b>

(₹ 000)

Note 12 Other current liabilities	As at March 31, 2019	As at March 31, 2018
Advance received from customers	106	41
Statutory dues	5,402	3,096
	<b>5,508</b>	<b>3,137</b>

(₹ 000)

Note 13 Revenue from operations <sup>2</sup>	2018-19	2017-18
Sale of chemicals <sup>1</sup>	3,03,283	2,97,755
Sale of steam	23,153	24,261
<b>Other operating revenue</b>		
Scrap sales   Other revenue	2,271	1,164
	<b>3,28,707</b>	<b>3,23,180</b>

<sup>1</sup>Revenue from operations for periods up to June 30, 2017 includes excise duty ₹ 67.51 lakhs, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable with the previous year.

<sup>2</sup>Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 90 days. These contracts are mainly for sale of chemical products and steam besides sale of scrap and other goods. Delivery of goods are at ex-works. The contracts do not grant for any rights to return to the customer. Returns of goods are accepted by the company only on exception basis.

# Notes to the Financial Statements



(₹ 000)

Note 14 Other income	2018-19	2017-18
Income from investments in mutual funds	5,145	2,138
Interest income from financial assets measured at amortised cost	348	1,103
Miscellaneous income	153	52
Profit on sale of assets	60	-
	<b>5,706</b>	<b>3,293</b>

(₹ 000)

Note 15 Cost of materials consumed	2018-19	2017-18
Raw materials and packing materials consumed		
Stocks at commencement	1,688	1,362
Add: Purchase	1,12,501	1,14,162
	<b>1,14,189</b>	<b>1,15,524</b>
Less: Stocks at close	1,966	1,688
	<b>1,12,223</b>	<b>1,13,836</b>

(₹ 000)

Note 16 Changes in inventories of finished goods and work-in-progress	2018-19	2017-18
Stocks at close		
Finished goods	1,206	713
Work-in-progress	1,487	1,590
	<b>2,693</b>	<b>2,303</b>
Less: Stocks at commencement		
Finished goods	713	1,097
Work-in-progress	1,590	1,237
	<b>2,303</b>	<b>2,334</b>
Less: Excise duty payable on finished goods	-	(122)
<b>(Increase)   Decrease in stocks</b>	<b>(390)</b>	<b>(91)</b>

(₹ 000)

Note 17 Power, fuel and water	2018-19	2017-18
Power, fuel and water	26,665	26,349
	<b>26,665</b>	<b>26,349</b>

# Notes to the Financial Statements

(₹ 000)

Note 18 Repairs and maintenance	2018-19	2017-18
Consumption of stores and spares	11,038	8,901
Plant and equipment repairs	18,207	15,328
Engineering inventory not usable written off	932	-
	<b>30,177</b>	<b>24,229</b>

(₹ 000)

Note 19 Employee benefit expenses	2018-19	2017-18
Salaries, wages and bonus	8,325	5,487
Contribution to provident and other funds (refer Note 29)	374	274
Staff welfare	72	80
Directors' remuneration	1,144	1,147
	<b>9,915</b>	<b>6,988</b>

(₹ 000)

Note 20 Finance costs	2018-19	2017-18
Interest on redeemable preference shares	7,916	8,204
Interest on borrowings - secured loans	12,974	14,071
Interest on borrowings - unsecured loans	2,949	2,464
	<b>23,839</b>	<b>24,739</b>

(₹ 000)

Note 21 Other expenses	2018-19	2017-18
Plant operation charges	7,237	6,953
Freight, cartage and octroi	1,148	1,262
Effluent treatment expenses	870	1,217
Security service charges	2,687	2,502
Business and auxiliary services	3,295	2,971
Legal and professional charges	2,435	2,705
Directors' sitting fees	410	461
Rent (refer Note 24)	123	134
Rates and taxes	969	719
Payments to the Statutory Auditors		
a) Audit fees	505	477
b) Tax matters	117	113
c) Out of pocket expenses	-	25
Remuneration to Internal Auditors	277	259
Expenditure on Corporate Social Responsibility initiatives (refer Note 30)	1,832	646
Miscellaneous expenses	4,909	2,366
	<b>26,814</b>	<b>22,810</b>



## Note 22 Current and deferred taxes

a) Income tax expense recognised in the Statement of Profit and Loss:

(₹ 000)

Particulars	As at March 31, 2019	As at March 31, 2018
<b>Current tax</b>		
Current tax on profits for the year	4,661	-
Total current tax expense	4,661	-
<b>Deferred tax</b>		
Decrease   (Increase) in deferred tax assets	(98)	12,467
(Decrease)   Increase in deferred tax liabilities	17,729	(12,467)
Total deferred tax expense   (benefit)	17,631	-
<b>Income tax expense</b>	<b>22,292</b>	<b>-</b>

b) Reconciliation of tax expense and the accounting profit multiplied by statutory income tax rate:

(₹ 000)

Particulars	As at March 31, 2019	As at March 31, 2018
Statutory income tax rate	27.82%	27.82%
Difference due to:		
Expenses not deductible for tax purposes	4.71%	6.38%
Income exempt from income tax	(0.57%)	-
Unabsorbed depreciation loss not recognised earlier	(27.29%)	(34.20%)
Deferred tax expense	17.67%	-
Effective tax rate	22.34%	-

c) Tax losses and Tax credits

(₹ 000)

Particulars	As at March 31, 2019	As at March 31, 2018
Unused tax losses for which no deferred tax asset has been recognised	-	10,905

### Notes:

- During 2018-19, unabsorbed depreciation has been used ₹ 978.93 lakhs to reduce tax liability of ₹ 272.34 lakhs
- The Company was declared sick by the BIFR under section 17(1) of SICA (Special Provisions), 1985 and hence there is no MAT liability under section 115JB of the Income Tax Act, 1961 for the current year.

# Notes to the Financial Statements

## Note 22 Current and deferred taxes (continued)

### d) Deferred tax balances

The balance comprises temporary differences attributable to the below items and corresponding movement in deferred tax liabilities | (assets):

(₹ 000)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liability on account of:		
Property, plant and equipment	7,686	5,407
Financial liabilities at amortised cost	10,043	16,676
<b>Total deferred tax liabilities</b>	<b>17,729</b>	<b>22,083</b>
Deferred tax asset on account of:		
Provisions	(98)	(45)
Unabsorbed depreciation	-	(22,038)
<b>Total deferred tax assets</b>	<b>(98)</b>	<b>(22,083)</b>
<b>Net deferred tax liability</b>	<b>17,631</b>	<b>-</b>

### e) Movement in deferred tax balances:

(₹ 000)

At March 31, 2017	Amount
(Charged)   Credited:	
To profit or loss	-
To other comprehensive income	-
Deferred tax on basis adjustment	-
<b>At March 31, 2018</b>	<b>-</b>
(Charged)   Credited:	
To profit or loss	(17,631)
To other comprehensive income	-
Deferred tax on basis adjustment	-
<b>At March 31, 2019</b>	<b>(17,631)</b>

# Notes to the Financial Statements



(₹ 000)

Note 23 Contingent liabilities and commitments	As at March 31, 2019	As at March 31, 2018
a) Claims against the Company not acknowledged as debts in respect of:		
i) Sales tax	6,669	6,669
b) Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
For purchase of property, plant and equipment	-	524

## Note 24 Related party disclosures

a) Name of the related party and nature of relationship	
Name of the related party	Description of relationship
i). Atul Finserv Ltd	Investing Company
ii) Atul Ltd	Holding Company
iii) Key Management Personnel	
S S Lalbhai	Chairman
R Kumar	Managing Director
T R Gopi Kannan	Director
S A Shah	Independent Director
A R Jadeja	Independent Director
S Mahalakshmi	Independent Director
Y S Vyas	Chief Financial Officer
A T Mankodi	Company Secretary

(₹ 000)

b) Transactions with related parties	2018-19	2017-18
i) Sales and income		
1. Sale of goods		
Atul Ltd	2,92,782	2,59,113
ii) Purchases and expenses		
1. Purchase of raw materials		
Atul Ltd	951	-
2. Service charges paid		
Atul Ltd	4,326	4,024
3. Reimbursements of expenses recovered   paid		
Reimbursements paid:		
Atul Finserv Ltd	20	8
Atul Ltd	2,403	-
Atul Infotech	130	-
4. Lease rent paid		
Atul Ltd	8	8
5. Reimbursement recovered		
Atul Ltd	211	130
iii) Other transactions		
1. Repayment of loan		
Atul Ltd	30,000	20,000
2. Redemption of preference shares		
Atul Ltd	10,000	20,000

# Notes to the Financial Statements

## Note 24 Related party disclosures (continued)

(₹ 000)

Outstanding balances as at year end	As at March 31, 2019	As at March 31, 2018
1. Loans payable		
Atul Ltd	70,956	85,032
2. Preference shares		
Atul Ltd	47,290	49,374
3. Payables		
i) Advances to customers		
Atul Ltd	-	18
ii) Trade and other payables		
Atul Finserv Ltd	298	298
Atul Ltd	1,487	696
4. Trade receivables		
Atul Ltd	1,12,792	81,082

c) Transactions with entities over which key management personnel or their close family members have significant influence

	2018-19	2017-18
<b>Other transactions</b>		
Expenditure on Corporate Social Responsibility initiatives		
Atul Foundation trust	1,832	646

d) Key Management Personnel compensation

(₹ 000)

Name	Category	Years	Remuneration	Sitting fees
Mr Sunil Lalbhai	Chairman	2018-19	-	-
		2017-18	-	-
Mr Rajeev Kumar	Managing Director	2018-19	1,145	-
		2017-18	1,147	-
Mr T R Gopi Kannan	Director	2018-19	-	-
		2017-18	-	-
Mr Sujal Shah	Independent Director	2018-19	-	140
		2017-18	-	140
Mr Abhay Jadeja	Independent Director	2018-19	-	130
		2017-18	-	180
Ms Mahalakshmi Subramanian	Independent Director	2018-19	-	140
		2017-18	-	140
Mr Yogesh Vyas	Chief Financial Officer	2018-19	-	-
		2017-18 (From Jan 13, 2018)	-	-

Note: The closing balances of the Balance Sheet items are as per Ind AS Financial Statements.



## d) Key Management Personnel compensation

i) Remuneration	2018-19	2017-18
Short-term employee benefits	1,145	1,147
Commission and other benefits to Non-executive Directors	410	461

## Note 25 Earnings per share

Earnings per share (EPS) - The numerators and denominators used to calculate basic and diluted earnings per share:

Particulars		2018-19	2017-18
Profit after tax	₹ 000	77,503	97,041
Weighted average number of equity shares outstanding for basic EPS {refer Note 25(a) below}	Number	94,25,000	81,42,808
<b>Basic EPS</b>	₹	<b>8.22</b>	<b>11.92</b>
Weighted average number of equity shares outstanding for diluted EPS {refer Note 25(a) below}	Number	94,25,000	94,25,000
<b>Diluted EPS</b>	₹	<b>8.22</b>	<b>10.30</b>
Nominal value of equity share	₹	10.00	10.00

a) Calculation for weighted average number of shares is given below:

Particulars		2018-19	2017-18
Weighted average number of equity shares outstanding at the beginning of the year	Number	94,25,000	70,25,000
Add: Conversion effect of equity shares issued during the year	Number	-	11,17,808
Weighted average number of equity shares outstanding for basic EPS	Number	94,25,000	81,42,808
Add: Potential equity shares due to share application money pending allotment	Number	-	12,82,192
Weighted average number of equity shares outstanding for diluted EPS	Number	94,25,000	94,25,000

## Note 26 Lease

The Company has taken land on cancellable lease at Atul from Atul Ltd for 99 years from February 03, 1996 on annual lease rent of ₹ 8,000.

## Note 27 Going Concern

The Company was declared sick by the BIFR on July 20, 2006 and the BIFR, vide its order dated July 16, 2009, sanctioned the revival scheme for the Company which was further modified in June 2010. Relevant adjustments as required by the scheme including recasting of creditors had been carried out in the books of account.

Subsequently, the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) vide its order dated March 22, 2011 allowed the appeal filed by one of the unsecured creditors and remanded the case back to the BIFR for considering revival scheme through Operating Agency (OA). IDBI Bank Ltd (IDBI), appointed as OA by BIFR, reviewed the Draft Rehabilitation Scheme (DRS) prepared by the Company and submitted it to BIFR on February 16, 2012. The Company revised the DRS with cut-off date as March 31, 2013 and the same was approved by BIFR in its meeting held on July 01, 2013 as modified sanctioned scheme MS-13.

The salient features of MS-13 include implementation of project, settlement of unsecured creditors at 30% of principal dues (as approved under earlier scheme) and issue of shares to promoter Company towards

# Notes to the Financial Statements

advance received against share application money. Further, the Company had applied to Central Board of Direct Taxes (CBDT) for carry forward of business losses beyond eight years which was approved subject to certain conditions specified in CBDT order.

Due to adverse market condition and change in regulatory norms in USA, the Company has proposed to shelve the plan of setting-up p-MPAA project as stated in MS-13. However, in order to turnaround, the Management has contemplated other alternatives and considered the Merger with its parent Company Atul Ltd.

The Board of Directors had approved the proposed merger of the Company with Atul Ltd at its meeting held on December 05, 2014. The Company had submitted the Modified Draft Rehabilitation Scheme ('Merger Scheme') to the BIFR through OA on March 31, 2016, for obtaining their approval.

The Central Government has, vide notification dated November 28, 2016, notified 'The Sick Industrial Companies (Special Provisions) Repeal Act, 2003' effective from December 01, 2016, as a result, the BIFR | AAIFR have been abolished and the Sick Industrial Companies (Special Provisions) Act 1985 is repealed. Pursuant to the same, all proceedings or appeals of whatever nature pending before BIFR | AAIFR have been abated. However, any scheme of revival, which has already been sanctioned by the BIFR in the past and is under implementation, will continue to be in force. Accordingly, the MS-13 approved by BIFR in its meeting held on July 01, 2013 continues to be in place. In view of the above, books of account have been prepared on going concern basis.

The merger scheme pending approval of BIFR, stands abated. Subsequently, the Board of Directors in its meeting held on March 24, 2017 decided not to proceed with merger scheme.

## Note 28 Micro and small enterprise dues

The Company has certain dues to suppliers (trade and capital) registered under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act). The disclosures pursuant to the said MSMED Act are as follows: (₹ 000)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	30	56
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
Interest due and payable towards suppliers under MSMED Act, for payments already made	-	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Above disclosures have been made based on information available with the Company, for suppliers who are registered as Micro, Small and Medium Enterprise under 'The Micro, Small and Medium Enterprise Development Act, 2006' as at March 31, 2019. The auditors have relied upon in respect of this matter.



### Note 29 Employee Benefit Obligation

#### a) Defined contribution plans:

- i) Provident fund
- ii) State defined contribution plans  
Employers' contribution to employees' state insurance  
Employers' contribution to employees' pension scheme 1995

The provident fund and the state defined contribution plan are operated by the Regional Provident Fund Commissioner. Under the scheme, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit scheme to fund the benefits. These funds are recognised by the income tax authorities. The Company's contribution to the provident fund and other contribution plans for all employees is charged to Statement of Profit and Loss.

The Company has recognised the following amounts in the Statement of Profit and Loss for the year (refer note 19):

(₹ 000)

Particulars	2018-19	2017-18
1. Contribution to provident fund	146	82
2. Contribution to employees pension scheme 1995	153	104
3. Contribution to employees' state insurance	65	82
4. Contribution to EDLI	10	6
	<b>374</b>	<b>274</b>

#### b) Defined benefit plans:

##### Gratuity

The gratuity fund is maintained with the Life Insurance Corporation of India under Group Gratuity scheme.

##### Balance Sheet amount (Gratuity)

(₹ 000)

Particulars	Gratuity	
	2018-19	2017-18
i) Changes in present value of projected benefit obligation		
Present value of obligation at the beginning of the period	491	444
Interest cost	38	29
Current service cost	67	54
Actuarial (gains)   losses on obligations		
- Due to change in demographic assumption	(4)	(4)
- Due to experience	48	(21)
- Due to change in financial assumptions	20	(11)
<b>Present value of obligation at the end of the period</b>	<b>660</b>	<b>491</b>
ii) Changes in fair value of plan assets		
Opening balance of present value of plan assets	1,472	1,366
Interest income	115	89
Return on plan assets excluding amounts included in interest income	(13)	9
Contributions	6	8
<b>Closing balance of fair value of plan assets</b>	<b>1,580</b>	<b>1,472</b>

# Notes to the Financial Statements

## Note 29 Employee benefit obligation (continued)

(₹ 000)

Particulars	Gratuity	
	2018-19	2017-18
iii) % of each category of plan assets to total fair value of plan assets as at March 31		
<b>Policy of insurance (Administered by Life Insurance Corporation of India)</b>	<b>100%</b>	<b>100%</b>
iv) Net asset   (liability) recognised in the Balance Sheet as at March 31		
Closing balance of present value of obligation	660	491
Closing balance of fair value of plan assets	(1,580)	(1,472)
<b>Funded (asset)   liability recognised in the Balance Sheet</b>	<b>(920)</b>	<b>(981)</b>
Provisions		
Current	(920)	(981)
Non-current	-	-
v) Expenses recognised in the Statement of Profit and Loss		
Current service cost	67	54
Net interest cost	(77)	(60)
<b>Expenses recognised in the Statement of Profit and Loss (refer note 19)</b>	<b>(10)</b>	<b>(6)</b>
vi) Expenses recognised in other comprehensive income (OCI)		
Actuarial losses on obligation for the year	64	(36)
Return on plan assets excluding interest income	13	(9)
<b>Net expenses for the year recognised in OCI (refer note 19)</b>	<b>77</b>	<b>(45)</b>
vii) Expected employer's contribution for the next year	Nil	Nil

### Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	Gratuity	
	2018-19	2017-18
1. Discount rate	7.48%	7.80%
2. Attrition rate	11.87%	9.70%
3. Rate of return on plan assets	7.48%	7.80%
4. Salary escalation rate	8.04%	8.27% and 6%
5. Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate



## Sensitivity analysis

The sensitivity of the defined benefit obligation (DBO) 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount rate	1%	1%	(3.0%)	(2.9%)	3.4%	3.2%
Attrition rate	1%	1%	(0.5%)	(0.1%)	0.5%	0.1%
Salary escalation rate	1%	1%	3.3%	3.2%	(3.0%)	(2.9%)

The above sensitivity analysis 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 as when calculating the defined benefit liability recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change as compared to the prior year.

## 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) Interest rate risk

A fall in the discount rate which is linked to the government securities rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

ii) Salary risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

iii) Investment risk

The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

iv) Concentration risk

Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

The weighted average duration of the defined benefit obligation is 4 years (March 31, 2018: 5 years). The expected maturity analysis of gratuity is as follows:

Particulars	(₹ 000)				
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2019	73	405	72	379	929
As at March 31, 2018	48	49	379	258	734

# Notes to the Financial Statements

## c) Other long-term benefits

### Long term compensated absences (Unfunded scheme)

Leave encashment is payable to eligible employees who have earned leaves, during the employment and | or on separation as per the policy of the Company. Valuation in respect of leave encashment have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

Particulars	Compensated absences	
	2018-19	2017-18
Present value of unfunded obligations in continuation - (refer note 10)	351	160
- Current	57	24
- Non Current	294	136
Expense recognised in the Statement of Profit and Loss	198	70
Discount rate	7.48%	7.80%
Salary escalation rate	8.04%	8.27% and 6%

### Note 30 Expenditure on Corporate Social Responsibility initiatives

a) Gross amount required to be spent by the Company during the year is ₹ 18.32 lakhs (March 31, 2018: ₹ 6.46 lakhs)

b) Amount spent during the year on

(₹ 000)

Particulars	Paid	Payable	Total
i) Construction   acquisition of any asset	-	-	-
ii) On purpose other than (i) above	1,832	-	1,832

### Note 31 Capital Management

a) The Company was declared sick by the BIFR through its order dated July 31, 2006. Presently, the Modified Sanctioned Scheme (MS-13) approved by BIFR in its meeting held on July 01, 2013 continues to be in place. The management is taking all steps to maximise shareholder value as per approved MS-13 to revive the Company and make its net worth positive.

b) The Company has not declared any dividend.

### Note 32: Fair value measurements

a) Financial instruments by category

(₹ 000)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial assets</b>						
Investments						
Equity instruments	210	-	-	210	-	-
Mutual funds	94,930	-	-	41,874	-	-
Trade receivables	-	-	1,15,107	-	-	83,938
Security deposits for utilities and premises	-	-	3,905	-	-	3,905
Cash and cash equivalents	-	-	1,101	-	-	31,730
<b>Total financial assets</b>	<b>95,140</b>	<b>-</b>	<b>1,20,113</b>	<b>42,084</b>	<b>-</b>	<b>1,19,573</b>



## Note 32: Fair value measurements (continued)

(₹ 000)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
<b>Financial liabilities</b>						
Borrowings	-	-	1,18,246	-	-	1,34,406
Trade payables	-	-	19,163	-	-	19,441
Employee benefits payable	-	-	997	-	-	699
Retentions payable	-	-	1,064	-	-	670
<b>Total financial liabilities</b>	-	-	<b>1,39,470</b>	-	-	<b>1,55,216</b>

### b) 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 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 under the accounting standard. An explanation of each level follows underneath the table.

(₹ 000)

Assets and liabilities as at March 31, 2019	Level 1	Level 2	Level 3	Total
<b>Measured at fair value - recurring fair value measurements</b>				
<b>Financial assets</b>				
Mutual funds	-	94,930	-	94,930
Investment in equity shares	-	-	210	210
<b>For which fair values are disclosed</b>				
<b>Financial assets</b>				
Security deposits for utilities and premises	-	-	3,905	3,905
Trade receivables	-	-	1,15,107	1,15,107
<b>Financial liabilities</b>				
Borrowings	-	-	1,18,246	1,18,246
Trade payables	-	-	19,163	19,163
Employee benefits payable	-	-	997	997
Retentions payable	-	-	1,064	1,064

# Notes to the Financial Statements

## Note 32: Fair value measurements (continued)

(₹ 000)

Assets and liabilities as at March 31, 2018	Level 1	Level 2	Level 3	Total
<b>Measured at fair value - recurring fair value measurements:</b>				
<b>Financial assets</b>				
Mutual funds	-	41,874	-	41,874
Investments in equity shares	-	-	210	210
<b>For which fair values are disclosed</b>				
<b>Financial assets</b>				
Security deposits for utilities and premises	-	-	3,905	3,905
Trade receivables	-	-	83,938	83,938
<b>Financial liabilities</b>				
Borrowings	-	-	1,34,406	1,34,406
Trade payables	-	-	19,441	19,441
Employee benefits payable	-	-	699	699
Payable towards expenses	-	-	-	-
Retentions payable	-	-	670	670

There were no transfers between any levels during the year.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and mutual fund units that have a quoted price. The fair value of all equity instruments which 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. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The mutual fund units are valued using the closing net assets value.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### c) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

### d) Valuation processes

The Company obtains assistance of independent and competent third party valuers to perform the valuations of financial assets and liabilities wherever required for financial reporting purposes, including level 3 fair values. These experts report to the financial risk management team, Chief Financial Officer (CFO) and the Audit Committee (AC). Discussions of valuation processes and results are held between the Chief Financial Officer and the Audit Committee.

# Notes to the Financial Statements



## e) Fair value of financial assets and liabilities measured at amortised cost

(₹ 000)

Particulars	As at March 31, 2019		AS at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Security deposits for utilities and premises	3,905	3,905	3,905	3,905
<b>Total financial assets</b>	<b>3,905</b>	<b>3,905</b>	<b>3,905</b>	<b>3,905</b>
<b>Financial liabilities</b>				
Borrowings	1,18,246	1,18,246	1,34,406	1,34,406
<b>Total financial liabilities</b>	<b>1,18,246</b>	<b>1,18,246</b>	<b>1,34,406</b>	<b>1,34,406</b>

The carrying amounts of trade receivables, bank deposits with more than 12 months maturity, cash and cash equivalents, trade payables, employee benefit payables, payable towards expenses and retention payables are considered to be the same as their fair values due to the current and short-term nature of such business.

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.

## f) Valuation inputs and relationships to fair value

(₹ 000)

Particulars	Fair value as at		Valuation technique	Significant unobservable inputs and range
	March 31, 2019	March 31, 2018		
Investment in equity shares <sup>1</sup>	210	210	Refer Note i)	Refer Note i)

<sup>1</sup>The change in the unobservable inputs for unquoted equity instruments does not have a significant impact in its value

### Note:

- i) For investment held by the Company in equity shares of Bharuch Enviro Infrastructure Ltd, its cost of acquisition has been considered as fair value, considering the statutory requirement of regulatory authorities relating to purchase and restriction on transfer. All other investments in unquoted equity shares held by the Company relate to non-operating | loss making entities which have been impaired in the past, and there are no factors which indicate upward valuation.

# Notes to the Financial Statements

## Note 33: Financial risk management

The business activities of the Company are exposed to a variety of financial risks, namely liquidity risk, market risk and credit risk. Responsibility for the establishment and oversight of the risk management framework lies with the senior management of the Company. The Company has constituted a Risk Management Committee, which is responsible for developing and monitoring the risk management policies of the Company. The key risks and mitigating actions are also placed before the Audit Committee of the Company. The risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the activities of the Company.

The Risk Management Committee of the Company is supported by the Finance team and experts who provides assurance that the financial risk activities of the Company are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the policies and risk objectives of the Company. The activities are designed to protect the financial results and position from financial risks, maintain market risks within acceptable parameters, while optimising returns and protect the financial investments, while maximising returns.

This note explains the risks which the Company is exposed to and how the Company manages the risk in the Financial Statements.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost	Aging analysis and credit rating	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

### A) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations. Credit risk arises from cash and cash equivalents, financial assets measured at amortised cost or fair value through profit and loss and deposits with banks and financial institutions, as well as credit exposures to trade | non-trade customers including outstanding receivables.

#### i) Credit risk management

Credit risk is managed through the policy surrounding Credit Risk Management.

#### ii) Provision for expected credit losses

The Company provides for expected credit loss based on the following:

### Trade receivables

Trade receivables consist of few customers, majorly of amount receivable from Atul Ltd, the Holding Company, for which ongoing credit evaluation is performed on the financial condition of the account receivables.

### B) Liquidity risk

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who has approved an appropriate liquidity risk management framework for short, medium and long term funding and liquidity management requirements of the company. The Management monitors rolling forecasts of the liquidity position of the Company and cash and cash equivalents on the basis of expected cash flows and manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.



## Note 33: Financial risk management (continued)

The following tables show the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows including contractual interest payment, as at the Balance Sheet date:

(₹ 000)

Contractual maturities of financial liabilities as at March 31, 2019	Less than 1 year	More than 1 year	Total
Borrowings	94,347	60,000	1,54,347
Trade payables	19,163	-	19,163
Retentions payable	1,064	-	1,064
Employee benefits payable	997	-	997

(₹ 000)

Contractual maturities of financial liabilities as at March 31, 2018	Less than 1 year	More than 1 year	Total
Borrowings	40,000	1,54,347	1,94,347
Trade payables	19,441	-	19,441
Retention payables	670	-	670
Employee benefits payable	699	-	699

### C) Market risk

#### i) Cash flow and fair value interest rate risk

Entire borrowings of the Company are from Atul Ltd (Holding Company) and are fixed rate borrowings that is 0% are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### ii) Price risk

##### a) Exposure

The Company is mainly exposed to the price risk due to its investments in mutual funds. The price risk arises due to uncertainties about the future market values of these investments. 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 policies.

##### b) Sensitivity

(₹ 000)

Particulars	Impact on other components of equity	
	March 31, 2019	March 31, 2018
Price increase by 10%*	9,493	4,187
Price decrease by 10%*	(9,493)	(4,187)

\*Ceteris Paribus

# Notes to the Financial Statements

## Note 34 Segment information

The Company operates in a single business segment that is manufacturing of bulk chemicals. Further, its operations are confined within India and major customer of the Company is Atul Ltd. Accordingly, there are no separate reportable segments as per Ind AS-108 on 'Operating Segments' and no further disclosures are required.

## Note 35 Loans

During the year, the Company has not entered into any transaction in nature of loans and advances which falls within the purview of 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.

## Note 36 Regrouping | Reclassification

Figures for previous year have been regrouped | reclassified | rearranged wherever necessary to make them comparable to those for the current year.

## Note 37 Rounding off

All amounts are rounded off to the nearest thousand unless otherwise stated.

## Note 38 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on April 18, 2019.

In terms of our report attached		For and on behalf of the Board of Directors	
For Deloitte Haskins & Sells LLP Chartered Accountants		S S Lalbhai Chairman	
Samir R. Shah Partner	Y S Vyas Chief Financial Officer	S. Mahalakshmi T R Gopi Kannan S A Shah A R Jadeja Directors	R Kumar Managing Director
Mumbai April 18, 2019	A T Mankodi Company Secretary		Mumbai April 18, 2019



## Amal Ltd

Registered office: Atul House, 310 B, Veer Savarkar Marg, Mumbai 400 028, Maharashtra, India

### Attendance slip

45<sup>th</sup> Annual General Meeting

Friday, July 19, 2019

DP ID		Folio number   Client ID	
-------	--	--------------------------	--

Full name of the shareholder | proxy attending the meeting

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(First name)

(Middle name)

(Last name)

First holder | joint holder | proxy

(Strike out whichever is not applicable)

Full name of the first holder (if joint holder | proxy attending)

---

(First name)

(Middle name)

(Last name)

Signature of the shareholder | proxy

## Amal Ltd

Registered office: Atul House, 310 B, Veer Savarkar Marg, Dadar (West),  
Mumbai 400 028, Maharashtra, India

### Route map to the venue of the Annual General Meeting



#### Venue:

The Synthetic and Art Silk Mills Research Association  
Sasmira Marg, Worli  
Mumbai 400 030, Maharashtra  
India

#### Distance of the venue from:

Mumbai Central railway station: 7.4 km  
Chhatrapati Shivaji international airport: 14.1 km



**Amal Ltd**  
**Form number MGT-11**

**Proxy form**

{Pursuant to Section 105 (6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014}

CIN: L24100MH1974PLC017594

Name of the Company: **Amal Ltd**

Registered office: Atul House, 310 B, Veer Savarkar Marg, Mumbai 400 028, Maharashtra, India

Name of the member(s):  
Registered address:  
E-mail address:  
Folio number | Client ID:  
DP ID:

I | We, being the member(s) of \_\_\_\_\_ shares of the above named company, hereby appoint:

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail address: \_\_\_\_\_ Signature: \_\_\_\_\_  
\_\_\_\_\_, or failing him | her

2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail address: \_\_\_\_\_ Signature: \_\_\_\_\_  
\_\_\_\_\_, or failing him | her

3. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail address: \_\_\_\_\_ Signature: \_\_\_\_\_

as my | our proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 45<sup>th</sup> Annual General Meeting of the Company, to be held on Friday, July 19, 2019 at 11:30 am at The Synthetic and Art Silks Mills Research Association, Sasmira, Sasmira Marg, Worli, Mumbai 400 030, Maharashtra, India and at any adjournment thereof in respect of such resolutions as are indicated below:

No.	Resolutions
1.	Adoption of the Financial Statements and Reports thereon for the financial year ended March 31, 2019
2.	Reappointment of Mr T R Gopi Kannan as a Director
3.	Approval under section 180(1)(c) of the Companies Act, 2013 to borrow funds

Signed this ..... day of ..... 2019.

Signature of the Member

Signature of the proxy holder(s)

Affix  
Revenue  
Stamp  
here

Note:  
This proxy form in order to be effective must be duly completed and deposited at the registered office of the Company not less than 48 hours before commencement of the meeting.





# Board of Directors



**Mr Sunil Lalbhai** is the Chairman of the Board since 2010 and is also the Chairman of Atul Ltd. 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.

**Mr T R Gopi Kannan** is a member of the Board since 2010 and also the Chief Financial Officer and Whole-time Director of Atul Ltd. Mr Gopi Kannan is a Fellow Member of Institute of Chartered Accountants of India, Institute of Cost and Management Accountants of India and Institute of Company Secretaries of India. He holds a postgraduate diploma in Management from Indian Institute of Management, Ahmedabad.



**Mr Abhay Jadeja** is a member of the Board since 2010. Mr Jadeja is a partner in Crawford Bayley & Co, a firm of Solicitors and Advocates. He holds a graduate degree in law from the University of Mumbai.

**Mr Sujal Shah** is a member of the Board since 2010. Mr Shah is a founder partner of SSPA & Co Chartered Accountants. He is a Fellow Member of Institute of Chartered Accountants of India.



**Ms Mahalakshmi Subramanian** is a member of the Board since 2014. Ms Subramanian is a Member of Institutional Ethics Committee at ESI Post Graduate Institute of Medical Sciences and Research. She is a Fellow Member of Institute of Chartered Accountants of India and is a Certified Financial Risk Manager from The Global Association of Risk Professionals.

**Mr Rajeev Kumar** is the Managing Director of the Company since 2017. Mr Kumar holds a graduate degree in Engineering from Indian Institute of Technology, Roorkee and a postgraduate degree in Management from Indira Gandhi National Open University.



# Corporate information

## Directors

Mr Sunil Lalbhai  
(Chairman)

Mr Rajeev Kumar  
(Managing Director)

Mr Gopi Kannan Thirukonda

Mr Sujal Shah

Mr Abhay Jadeja

Ms Mahalakshmi Subramanian

## Chief Financial Officer

Mr Yogesh Vyas

## Company Secretary

Mr Ankit Mankodi

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### Statutory Auditors

Deloitte Haskins & Sells LLP

### Secretarial Auditors

Nilesh A Pradhan & Co. LLP

### Head office

Atul House  
310 B, Veer Savarkar Marg,  
Dadar (West), Mumbai 400 028,  
Maharashtra, India  
E-mail address: [sec@amal.co.in](mailto:sec@amal.co.in)  
Website: [www.amal.co.in](http://www.amal.co.in)

### Bankers

Axis Bank  
State Bank of India

# Amal Ltd

Atul House

310 B, Veer Savarkar Marg  
Mumbai 400 028, Maharashtra  
India