

Atul Finserv Ltd

Directors' Report

Dear Members,

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

01. Financial results

	2018-19	2017-18
Revenue from operations	0.81	0.65
Other income	0.52	0.12
Total revenue	1.34	0.77
Profit before tax	(0.27)	0.10
Provision for tax	(0.13)	0.01
Profit for the year	(0.14)	0.10
Profit available for appropriation	(0.13)	0.03
Balance brought forward	1.21	1.19
Disposable surplus	1.08	1.21
Balance carried forward	1.08	1.21

02. Performance

Revenues increased by 86% from ₹ 0.77 cr to ₹ 1.34 cr. PBT decreased from ₹ 0.10 cr to ₹ (0.27) cr and the Earning per share decreased from ₹ 0.49 to ₹ (0.44). While the operating loss before working capital changes increased from ₹ (0.02) cr to ₹ (0.72) cr, the net cash used in operating activities increased from ₹ (2.12) cr to ₹ (7.97) cr.

03. 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, are not applicable. The Company does not have any foreign exchange earnings and expenditure.

04. Insurance

The Company has taken adequate insurance to cover the risks to its people.

05. Risk Management

The Company has identified the risks and has initiated the mitigation plan for the same.

06. Internal financial controls

The Company ensured adequate internal financial controls commensurate with the size of its operations.

07. Fixed deposits

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

08. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given at note numbers 3, 4 and 11 of the Financial Statements.

09. Subsidiary, associate and joint venture companies

During the financial year 2018-19, Aaranyak Urmi Ltd became a Wholly-owned subsidiary company of the Company.

10. 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 note number 21.3 of the Financial Statements. No transactions were entered into by the Company which required disclosure in Form AOC-2.

11. Extract of the Annual Return

This is given at page number 5.

12. Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 70th Annual General Meeting (AGM) held on July 21, 2017 until the conclusion of the 75th AGM in the year 2022.

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.

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 the same 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 Article 86 (1) of 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.

14.1.2 Mr Mohit Maheshwari ceased to a Director effective September 01, 2018.

14.2 Policies on appointment and remuneration

14.2.1 Appointment

The Board considers the following factors for appointment of Directors:

- 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 Independent Directors

- i) Sitting fees: ₹ 20,000 for attending a meeting of the Board

15. Key Managerial Personnel and other employees

15.1 Appointments and cessations of Key Managerial Personnel

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

15.2 Remuneration

The Remuneration Policy of the Key Managerial Personnel and other employees is as under:

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

- i) Existing compensation
- ii) Education
- iii) Experience
- iv) Salary bands
- v) Performance
- vi) Market benchmark

15.2.3 Factors for determining and changing variable pay

- i) Company performance
- ii) Individual performance
- iii) Grade

16. Corporate Governance Report

16.1 Statement of declaration given by the Independent Directors

The Independent Director has given declaration under Section 149 (6) of the Companies Act, 2013.

16.2 Report

The Corporate Governance Report is given at page number 13. Details about the number of meetings of the Board held during 2018-19 are at page number 14.

16.3 Secretarial Standards

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

16.4 Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder are given at page number 16.

17. Acknowledgements

The Board expresses its sincere thanks to all the employees, investors, regulatory and Government authorities for their support.

For and on behalf of the Board of Directors

Mumbai
April 15, 2019

(T R Gopi Kannan)
Chairman

Annexure to the Directors' Report

Index

No.	Subject title
1.	Conservation of energy, technology absorption and foreign exchange earnings and outgo
2.	Extract of the Annual Return
2.1	Registration and other details
2.2	Principal business activities of the Company
2.3	Particulars of the holding, the subsidiary and the associate companies
2.4	Shareholding pattern (Equity share capital breakup as percentage of total equity)
2.5	Indebtedness
2.6	Remuneration of the Directors and the Key Managerial Personnel
2.7	Penalties Punishment Compounding of offences

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

Since the Company is dealing in business auxiliary services this clause is not applicable to the Company.

2. 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}

2.1 Registration and other details

- » CIN: U51900MH1947PLC005453
- » Registration date: January 02, 1947
- » Name of the company: Atul Finserv Ltd
- » Category | Sub-category of the company: Company limited by shares
- » Address of the registered office and contact details: 310B, Veer Savarkar Marg, Adjacent to Prabhadevi Telephone Exchange, Dadar (West), Mumbai 400 028, Maharashtra, Telephone: (+91 022) 39876000
- » Whether listed company: No
- » 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

2.2 Principal business activities of the Company

All the business activities contributing 10% or more of the total revenue of the Company will be stated

No.	Name and description of main products services	National Classification code of the product service	Industrial code of the product service	% to total revenue of the Company
1	Business auxiliary services		821	100%

2.3 Particulars of the holding, the subsidiary and the associate companies

	Name and address of the Company	Corporate Identification Number	Holding subsidiary associate	% of shares held	Applicable Section
01	Aaranyak Urmi Ltd Atul 396 020	U15400GJ2017PLC100157	Subsidiary	100	2(87)(ii)
02	Atul Fin Resources Ltd Atul 396 020, Gujarat	U65990GJ2016PLC093639	Subsidiary	100	2(87)(ii)
03	Atul Nivesh Ltd Atul 396 020, Gujarat	U65929GJ2016PLC093630	Subsidiary	100	2(87)(ii)
04	Amal Ltd Mumbai 400028, Maharashtra	L24100MH1974PLC017594	Associate	48	2(6)
05	Atul Aarogya Ltd	U85110GJ2010PLC062180	Associate	42	2(6)

Category code	Category of the 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	
ii)	NRI non-repatriable	-	-	-	-	-	-	-	-	-
iii)	Foreign bodies	-	-	-	-	-	-	-	-	-
iv)	Foreign nationals	-	-	-	-	-	-	-	-	-
v)	Any other	-	-	-	-	-	-	-	-	-
	Sub total (B) (2)	-	-	-	-	-	-	-	-	-
	Total public shareholding (B)=(B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
	Total (A)+(B)	25,83,971	-	25,83,971	100	6	35,16,510	35,16,516	100	36.10
C.	Shares held by custodians and against which depository receipts have been issued									
01.	Promoter and promoter group	-	-	-	-	-	-	-	-	-
02.	Public	-	-	-	-	-	-	-	-	-
	Sub total (C)	-	-	-	-	-	-	-	-	-
	Grand total (A)+(B)+(C)	25,83,971	-	25,83,971	100	6	35,16,510	35,16,516	100	36.10

2.4.2 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	
01.	Atul Ltd	25,83,971	100	-	35,16,516	100	-	-

2.4.3 Change in the promoters' shareholding

No	Particulars	Reason of 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.	Companies					

	At the beginning of the year		25,83,971	100		25,83,971	100
	Increase (Decrease) during the year	Preferential Issue	9,32,545	27		35,16,516	100
	At the end of the year		35,16,516	100		35,16,516	100

2.4.4 Shareholding pattern of top ten Shareholders (other than the Directors, the promoters and the holders of American Depository Receipts and Global Depository Receipts)

No	Name of the Shareholder	Reason of 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	
	NIL						

2.4.5 Shareholding of the Directors and the Key Managerial Personnel

No	Name of the Director the Key Managerial Personnel	Reason of 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
	At the beginning of the year	-	-	-	-	-
	Increase Decrease during the year	-	-	-	-	-
	At the end of the year	-	-	-	-	-

2.5 Indebtedness

Indebtedness of the Company including interest outstanding | accrued, but not due for payment
(₹ cr)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	-	-	-	-
ii) Interest due, but not paid	-	-	-	-
iii) Interest accrued, but not due	-	-	-	-
Total i) + ii) + iii)	-	-	-	-
Change in indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal amount	-	-	-	-
ii) Interest due, but not paid	-	-	-	-
iii) Interest accrued, but not due	-	-	-	-

Total i) + ii) + iii)	-	-	-	-
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2.6 Remuneration of the Directors and the Key Managerial Personnel

2.6.1 Remuneration of the Managing Director, the Whole-time Director and | or the Manager

(₹ cr)

No.	Particulars		Total amount
01.	Gross salary	-	-
	Salary as per provisions under Section 17(1) of the Income-tax Act, 1961	-	-
	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	-	-
02.	Stock option	-	-
03.	Sweat Equity	-	-
04.	Commission	-	-
05.	Variable pay		
06.	Others	-	-
07.	Total (A)	-	-
08.	Ceiling as per the Act	-	-

2.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	Gautam Chakravarti	Total amount
01.	Non-executive Independent Directors		
	a) Fee for attending the Board the Committee meetings	80,000	80,000
	b) Commission	-	-
	Total 01		
02.	Non-executive Non-independent Directors		
	a) Fee for attending the Board the Committee meetings	-	-
	b) Commission	-	-
	Total 02	-	-
	Total (B) = (1+2)		
	Total managerial remuneration (A)+(B)	80,000	80,000
	Overall ceiling as per the Act		-

2.6.3 Remuneration to the Key Managerial Personnel other than the Managing Director | the Manager | the Whole-time Director

(₹)

No.	Particulars	Chief Executive Officer	Chief Financial Officer	Company Secretary	Total
		Mr A A Desai	Mr R R Joshi	Mr A P Patadiya	
01.	Gross salary	1,92,600	1,28,400	1,02,720	4,23,720

	Salary as per provisions contained under Section 17(1) of the Income-tax Act, 1961	-	-	-	-
	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	-	-	-	-
02.	Stock option	-	-	-	-
03.	Sweat Equity	-	-	-	-
04.	Commission	-	-	-	-
05.	Others	-	-	-	-
	Total	1,92,600	1,28,400	1,02,720	4,23,720

2.7 Penalties | Punishment | Compounding of offences

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

INDEPENDENT AUDITOR'S REPORT

To The Members of Atul Finserv Limited Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of Atul Finserv 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 notes to the financial statements, including a summary of significant accounting policies and other explanatory information and which includes a Joint Operation accounted on proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS 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 ("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 then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS 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 together with the ethical requirements that are relevant to our audit of the Standalone Ind AS 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the Standalone Ind AS 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 and presentation of these Standalone Ind AS 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 prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other Accounting Principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate Internal Financial

Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Ind AS Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Ind AS Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the audit of the Standalone Ind AS Financial Statements

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit on the separate Financial Statements 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 and its joint operation entity so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid Standalone Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.
 - e) On the basis of the written representations received from the Directors of the Company 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 Company's Internal Financial Controls over Financial Reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as

amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS 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 "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Samir R. Shah
Partner
(Membership No. 101708)

Place: MUMBAI
Date: 15 April 2019

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 Atul Finserv Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone Ind AS 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 controls 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 the policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

Our responsibility is to express an opinion on the Internal Financial Controls of the Company over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the 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. These 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 Auditor's judgement, 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

The 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 Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the 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 internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Samir R. Shah
Partner
(Membership No. 101708)

Place: MUMBAI
Date: 15 April 2019

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

01.
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) 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) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.
02. The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
03. 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.
04. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
05. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
06. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
07. According to the information and explanations given to us, in respect of statutory dues:
 - a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Service Tax, Goods and Service Tax, cess and other material statutory dues in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.
 - c) There are no dues of Income-tax, Sales Tax, Customs Duty and Goods and Service Tax as on March 31, 2019 on account of disputes which have not been deposited.
08. 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 CARO 2016 is not applicable to the Company.

09. 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 CARO 2016 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 Companies Act, 2013.
12. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 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 Companies Act, 2013, 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. According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.

In respect of the above issue, we further report that:

- a) The requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and
 - b) The amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
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 its holding, subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
 16. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Samir R. Shah
Partner
(Membership No. 101708)

Place: MUMBAI
Date: 15 April 2019

Atul Finserv Ltd

Balance Sheet as at March 31, 2019



(₹)

Particulars	Note	As at	
		March 31, 2019	March 31, 2018
A ASSETS			
1 Non-current assets			
a) Property, plant and equipment	2	1,36,44,764	-
b) Capital work-in-progress	2	75,45,70,690	11,71,16,046
c) Financial assets			
i) Investments in subsidiary and associate companies	3.1	16,41,80,209	16,21,30,209
ii) Other investments	3.2	1,18,89,601	96,65,570
iii) Loans	4	4,77,49,524	20,32,621
iv) Other financial assets	5	10,000	-
d) Deferred tax assets (net)	21.4	24,52,748	7,99,409
e) Income tax assets (net)	21.4	16,94,219	16,29,373
f) Other non-current assets	6	49,64,091	5,61,89,927
Total non-current assets		1,00,11,55,846	34,95,63,155
2 Current assets			
a) Financial assets			
i) Investments	3.3	4,30,52,603	61,68,609
ii) Trade receivables	7	15,77,177	18,57,172
iii) Cash and cash equivalents	8	14,52,950	55,32,188
iv) Loans	4	15,35,174	-
v) Other financial assets	5	91,468	3,06,20,832
b) Other current assets	6	9,75,96,769	2,23,02,572
Total current assets		14,53,06,141	6,64,81,373
Total assets		1,14,64,61,987	41,60,44,528
B EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	9	30,51,51,600	21,18,97,100
b) Other equity	10	39,74,68,920	18,67,51,893
Total equity		70,26,20,520	39,86,48,993
Liabilities			
1 Non-current liabilities			
a) Financial liabilities			
i) Borrowing	11	27,81,61,980	-
ii) Other financial liabilities	12	35,03,535	-
b) Provisions	15	1,96,479	-
Total non-current liabilities		28,18,61,994	-
1 Current liabilities			
a) Financial liabilities			
i) Trade payables	13	-	-
Total outstanding dues of			
a) Micro enterprises and small enterprises		-	-
b) Creditors other than micro enterprises and small enterprises		7,09,289	7,64,256
ii) Other financial liabilities	12	16,03,93,331	1,53,38,804
b) Other current liabilities	14	8,03,837	10,46,754
c) Provisions	15	73,016	2,45,721
Total current liabilities		16,19,79,473	1,73,95,535
Total liabilities		44,38,41,467	1,73,95,535
Total equity and liabilities		1,14,64,61,987	41,60,44,528

The accompanying Notes 1-21 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

T R Gopi Kannan
Chairman

R R Joshi
Chief Finance Officer

Lalit Patni
Director

Mumbai
April 15, 2019

A P Patadiya
Company Secretary

Mumbai
April 15, 2019

Atul Finserv Ltd

Statement of Profit and Loss

for the year ended March 31, 2019



(₹)

Particulars	Note	2018-19	2017-18
INCOME			
Revenue from operations	16	81,23,323	65,04,898
Other income	17	52,27,571	12,25,054
Total income		1,33,50,894	77,29,952
EXPENSES			
Employee benefit expenses	18	67,01,521	50,63,488
Finance costs	19	33,450	60
Depreciation and amortisation expenses	2	7,28,369	-
Other expenses	20	85,96,078	16,50,137
Total expenses		1,60,59,417	67,13,685
Profit (Loss) before tax		(27,08,523)	10,16,267
Tax expense			
Current tax	21.4	3,70,705	2,11,245
Deferred tax	21.4	(16,50,721)	(1,51,227)
Total tax expense		(12,80,016)	60,018
Profit (Loss) for the year		(14,28,508)	9,56,249
Other Comprehensive Income			
a) Items that will not be reclassified to profit loss			
i) Fair value of equity instruments through other comprehensive income (FVOCI)		3,32,210	(3,95,486)
ii) Remeasurement gain (loss) on defined benefit plans		(50,520)	-
iii) Income tax related to item no (ii) above		9,720	-
Other Comprehensive Income, net of tax		2,91,410	(3,95,486)
Total Comprehensive Income for the year		(11,37,098)	5,60,763
Earnings per equity share			
Basic and diluted earning ₹ per equity share	21.2	(0.44)	0.49

The accompanying Notes 1-21 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

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Chairman

R R Joshi
Chief Finance Officer

Lalit Patni
Director

Mumbai
April 15, 2019

A P Patadiya
Company Secretary

Mumbai
April 15, 2019

Atul Finserv Ltd
Statement of changes in equity
for the year ended March 31, 2019



A. Equity share capital

	(₹)
	Note
	Amount
As at March 31, 2017	12,60,53,300
Changes in equity share capital during the year	8,58,43,800
As at March 31, 2018	21,18,97,100
Changes in equity share capital during the year	9,32,54,500
As at March 31, 2019	9 30,51,51,600

B. Other equity

	Reserves and surplus			Items of Other Comprehensive Income	Total Other Equity
	Securities premium	General reserve	Retained earnings	FVOCI Equity instruments	
As at March 31, 2017	-	1,56,25,000	1,18,72,224	1,49,611	2,76,46,835
Profit for the year	-	-	9,56,249	-	9,56,249
Share issue expenses	-	-	(11,49,895)	-	(11,49,895)
Other Comprehensive Income	-	-	-	(3,95,486)	(3,95,486)
Total Comprehensive Income for the year	-	-	(1,93,646)	(3,95,486)	(5,89,132)
Securities Premium on issue of share	15,96,94,190	-	-	-	15,96,94,190
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	4,71,395	(4,71,395)	-
As at March 31, 2018	15,96,94,190	1,56,25,000	1,21,49,973	(7,17,270)	18,67,51,893
Profit (Loss) for the year	-	-	(14,28,508)	-	(14,28,508)
Other Comprehensive Income	-	-	(40,800)	3,32,210	2,91,410
Total Comprehensive Income for the year	-	-	(14,69,308)	3,32,210	(11,37,098)
Securities Premium on issue of share	21,23,37,216	-	-	-	21,23,37,216
Share issue expenses	(4,83,091)	-	-	-	(4,83,091)
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	1,56,581	(1,56,581)	-
As at March 31, 2019	37,15,48,315	1,56,25,000	1,08,37,246	(5,41,641)	39,74,68,920

The accompanying Notes 1-21 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

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Partner

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Lalit Patni
Director

A P Patadiya
Company Secretary

Mumbai
April 15, 2019

Mumbai
April 15, 2019

Atul Finserv Ltd
Statement of Cash Flows
for the year ended March 31, 2018



	(₹)	
Particulars	2018-19	2017-18
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit (Loss) before tax	(27,08,523)	10,16,267
Adjustments for:		
Add:		
Depreciation and amortisation expenses	7,28,369	-
Finance costs	33,450	60
Unrealised exchange rate difference (net)	(15,75,162)	-
	(8,13,343)	60
	(35,21,866)	10,16,327
Less:		
Dividend received	3,10,719	5,07,663
Interest received	31,64,583	7,16,391
Gain on investment measured at FVPL	1,64,607	-
	36,39,909	12,24,054
Operating profit (loss) before change in operating assets and liabilities	(71,61,775)	(2,07,727)
Adjustments for:		
(Increase) Decrease in trade receivables	2,79,995	(5,29,115)
(Increase) Decrease in other financial assets	(10,000)	-
(Increase) Decrease in other current assets	(7,52,94,197)	(2,22,62,861)
Increase (Decrease) in trade payables	(54,967)	7,44,262
Increase (Decrease) in other financial liabilities	32,69,625	2,08,604
Increase (Decrease) in other liabilities	(2,93,437)	10,33,294
Increase (Decrease) in provisions	23,774	29,728
	(7,20,79,207)	(2,07,76,087)
Cash generated from operations	(7,92,40,983)	(2,09,83,814)
Less: Income tax paid (net of refund)	4,28,448	2,20,317
Net cash used in from operating activities	A (7,96,69,430)	(2,12,04,131)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payment towards capital work in progress (including capital advance)	(45,37,38,340)	(15,88,16,586)
Purchase of equity investment measured at cost (net)	(20,50,000)	(2,79,97,869)
Purchase of equity investment measured at FVOCI (net)	(18,91,823)	(16,65,765)
Proceeds from redemption (Purchase) of current investment	(3,67,19,386)	1,09,601
Repayments (Disbursements) of loans given (net)	(4,72,52,079)	(3,55,104)
Amount recoverable from Joint operation party	3,05,29,364	(3,05,01,167)
Interest received	31,64,583	7,16,391
Dividend received	3,10,719	5,07,663
Net cash used in investing activities	B (50,76,46,962)	(21,80,02,836)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity share capital (net of share issue expenses)	30,51,08,625	24,43,88,095
Disbursements of term loan	27,81,61,980	-
Interest paid	(33,450)	(60)
Net cash flow from financing activities	C 58,32,37,155	24,43,88,035
Net decrease in cash and cash equivalents	A+B+C (40,79,238)	51,81,068
Cash and cash equivalents at the beginning of the year	55,32,188	3,51,121
Cash and cash equivalents at the end of the year	14,52,950	55,32,188

i) The above Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on the Statement of Cash Flows as notified under Companies (Indian Accounting Standards) Rules, 2015.

The accompanying Notes 1-21 form an integral part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

T R Gopi Kannan
Chairman

R R Joshi
Chief Finance Officer

Lalit Patni
Director

Mumbai
April 15, 2019

A P Patadiya
Company Secretary

Mumbai
April 15, 2019

Atul Finserv Ltd

Notes to the Financial Statements



Background

Atul Finserv Ltd (the 'Company') is a limited company incorporated and domiciled in India. It is a wholly owned subsidiary company of Atul Ltd (Holding company). The Company provides the business auxiliary service to its Holding company. The registered office of the Company is located at 310-B, Atul House, Veer Savarkar Marg, Dadar (West), Mumbai 400 028, Maharashtra.

Note 1 Significant Accounting Policies

1 Basis of preparation:

a) Compliance with Ind AS:

The Financial Statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act, as amended.

b) Historical cost convention:

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

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

All the assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria set out in Schedule III to the Companies Act, 2013. Based on the nature of service and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

c) 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 leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., 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 & Loss. The Standard also contains enhanced disclosure requirements for lessees. 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:

- i) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- ii) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognized 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:

- i) Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or
- ii) An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized 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 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 would be insignificant 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 shall 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.



Notes to the Financial Statements

Note 1 Significant Accounting Policies (continued)

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:

- i) 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
- ii) 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.

The Company does not have any impact on account of this amendment.

d) Joint operations:

The company has invested in Aanven LLP a Jointly Controlled Operation (JCO) to ensure a participating interest in the production of this JCO for its holding company. This Jointly controlled operation is a Joint arrangement where the parties have joint control of the arrangement and have rights to the asset and obligations to the liabilities, relating to the arrangement. As per Ind AS 111 - Joint arrangements, in its separate financial statements, the Company being a joint operator has recognised its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Although not required by Ind AS, the Company has provided in Note 21.09 additional information of Atul Finserv Ltd on a standalone basis excluding its interest in its joint operations viz. Aanven LLP.

2 Investments and other financial assets:

a) **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, or through profit or loss)
- ii) Those measured at amortised cost

The classification depends on business model of the Company for managing financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in 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 fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

After initial recognition, financial asset is measured at:

- i) fair value (either through other comprehensive income (FVOCI) or through profit or loss (FVPL)) or,
- ii) amortised cost.

Equity instruments :

The Company measures all investments in equity instruments other than subsidiary companies, associate companies 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 in Other Comprehensive Income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit or Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Investments in subsidiary companies, associate companies and joint venture company:

Investments in subsidiary companies, associate companies and joint venture company are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, associates and joint venture, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

b) **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. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade 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.



Notes to the Financial Statements

Note 1. Significant Accounting Policies (continued)

c) Derecognition:

A financial asset is derecognised only when the Company has transferred the rights to receive cash flows from the financial asset, the asset expires or retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised through Statement of Profit and Loss or other comprehensive income as applicable. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retained substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

d) Financial liabilities:

i) Classification as debt or equity:

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

ii) Initial recognition and measurement:

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at the fair value.

iii) Subsequent measurement:

Financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Financial liabilities carried at fair value through profit or loss are measured at fair value with all changes in fair value recognised in the Statement of Profit and Loss.

iv) Derecognition:

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3 Property, plant and equipment:

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.

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 or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

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 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	30 to 60 years
Plant and equipment ¹	3 to 12 years
Office equipment and furniture	5 to 10 years
Computer and hardware	3 and 6 years

¹ The useful lives have been determined based on technical evaluation done by the Management experts which are different from the useful life prescribed in Part C of Schedule II to the Act, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset. The residual values, useful lives and method of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.



Notes to the Financial Statements

Note 1 Significant Accounting Policies (continued)

4 Revenue recognition:

a) 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. No impact on Financial Statement on account of transition.

The Company manufacture, sell chemicals and providing services in domestic market, spread across two segments namely Performance and Other Chemicals, Investing activity and Business Auxiliary Services.

Revenue from services is recognised upon completion of services in accordance with the terms of the contract.

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 30 days. The contracts do not grant any rights of return to the customer. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

b) 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.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

5 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.

a) Defined contribution plan:

Contributions to defined contribution schemes such as contribution to Provident Fund, Superannuation Fund are charged as an expense to the 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.

b) Defined benefit plan:

Gratuity:

Gratuity liability is a defined benefit obligation and is computed on the basis of an actuarial valuation by an actuary appointed for the purpose as per projected unit credit method at the end of each financial year. The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The liability so provided is paid to a Trust administered through Life Insurance Corporation of India, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability with a corresponding charge to the Statement of Profit and Loss.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows with reference to market yields at the end of the reporting period on Government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate at the beginning of the period to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur directly in other comprehensive income. They are included in retained earnings in the Statement of changes in equity and in the 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.

c) Short-term leave encashment:

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.



Notes to the Financial Statements

Note 1. Significant Accounting Policies (continued)

6 Foreign currency transactions:

Initial recognition:

On initial recognition, all foreign currency transactions are accounted by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent recognition:

As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

All monetary assets and liabilities as at the Statement of Assets and Liabilities date are translated at the rates of exchange prevailing at the date of the Statement of Assets and Liabilities. Gains and losses arising on account of differences in foreign exchange rates on settlement | translation of monetary assets and liabilities are recognised in the Statement of Profit and Loss.

7 Provisions and contingent liabilities:

Provisions:

Provisions are recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date and are not discounted to its present value.

Contingent liabilities:

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 or a reliable estimate of the amount cannot be made.

8 Taxation:

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 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.

Minimum Alternate Tax (MAT) under the provisions of the Income Tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. Such an asset is reviewed at each Balance Sheet date.

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. 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. 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.

9 Borrowing costs:

Borrowing costs include interest, amortisation of ancillary costs incurred accounted as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction | development of the qualifying asset upto the date of capitalisation of such asset are added to the cost of the assets.



Notes to the Financial Statements

Note 1. Significant Accounting Policies (continued)

10 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.

11 Lease:

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.

12 Earnings per share:

Earnings per share (EPS) is calculated by dividing the net profit or loss for the period attributable to Equity Shareholders by the weighted average number of Equity shares outstanding during the period. Earnings considered in ascertaining the EPS is the net profit for the period and any attributable tax thereto for the period.

13 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.

14 Trade and other payables:

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the EIR method.

15 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.

16 Borrowings:

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. 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.

Critical estimates and judgements:

The preparation of Financial Statements requires the 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 judgement 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 is 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 useful life of tangible assets: Note 1 (3)
- ii) Estimation of defined benefit obligation: Note 21.10
- iii) Fair value measurements: Note 21.11

Estimates and judgements 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

(₹)

Note 2 Property, plant and equipment

Particulars	Buildings	Plant and equipment	Office equipment and	Computer Equipments	Total	Capital work-in-progress ¹
Gross carrying amount						
As at March 31, 2017	-	-	-	-	-	-
Additions	-	-	-	-	-	11,71,16,046
As at March 31, 2018	-	-	-	-	-	11,71,16,046
Additions	75,52,317	20,41,418	24,37,826	23,41,572	1,43,73,133	63,74,54,644
As at Mar 31, 2019	75,52,317	20,41,418	24,37,826	23,41,572	1,43,73,133	75,45,70,690
Depreciation Amortisation						
Up to March 31, 2017	-	-	-	-	-	-
For the year	-	-	-	-	-	-
Up to March 31, 2018	-	-	-	-	-	-
For the year	1,46,208	1,03,379	1,92,331	2,86,451	7,28,369	-
Up to March 31, 2019	1,46,208	1,03,379	1,92,331	2,86,451	7,28,369	-
Net carrying amount						
As at March 31, 2018	-	-	-	-	-	11,71,16,046
As at March 31, 2019	74,06,109	19,38,039	22,45,495	20,55,121	1,36,44,764	75,45,70,690

Notes:

- Capital work-in-progress mainly comprises addition projects in progress.
- Refer Note 21. 1 for disclosure of contractual commitment for acquisition of property, plant and equipment.
- Refer Note 11 for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

(₹)

Note 3.1 Investments in subsidiary and associate companies

Particulars	Face Value	As at March 31, 2019		As at March 31, 2018	
		Number of shares	Value	Number of shares	Value
Investment in equity instruments (Fully paid-up)					
Subsidiary Associate companies measured at cost					
i) Quoted					
In associate company measured at cost					
Amal Ltd	10	45,68,824	20,32,641	45,68,824	20,32,641
ii) Unquoted					
In subsidiary companies measured at cost					
Aaranyak Urmi Ltd	10	2,05,000	20,50,000	-	-
Atul Fin Resource Ltd	10	25,00,000	2,50,00,000	25,00,000	2,50,00,000
Atul Nivesh Ltd	10	25,00,000	2,50,00,000	25,00,000	2,50,00,000
In associate companies measured at cost					
Atul Ayurveda Ltd	10	25,000	2,50,000	25,000	2,50,000
Atul Crop Care Ltd	10	13,000	1,30,000	13,000	1,30,000
Atul Entertainment Ltd	10	25,000	2,50,000	25,000	2,50,000
Atul Hospitality Ltd	10	25,000	2,50,000	25,000	2,50,000
Atul Infotech Ltd	10	1,18,262	7,82,19,568	1,18,262	7,82,19,568
Atul Medical Care Ltd	10	25,000	2,50,000	25,000	2,50,000
Atul Rajasthan Date Palm Ltd	1,000	29,998	2,99,98,000	29,998	2,99,98,000
Atul Seeds Ltd	10	25,000	2,50,000	25,000	2,50,000
Jayati Infrastructure Ltd	10	25,000	2,50,000	25,000	2,50,000
Osia Dairy Ltd	10	25,000	2,50,000	25,000	2,50,000
			16,41,80,209		16,21,30,209

Atul Finserv Ltd

Notes to the Financial Statements



Note 3.2 Other Investments	Face Value	As at		As at	
		March 31, 2019		March 31, 2018	
		Number	Value	Number	Value
Investment in equity instruments (fully paid-up)					
Other companies measured at FVOCI					
Quoted					
Aarti Drugs Ltd	10	2	1,280	2	1,013
Aditya Birla Capital Ltd	10	1,000	97,650	-	-
Akzo Nobel India Ltd	10	1	1,788	1	1,798
Asahi Songwon Colors Ltd	10	1	159	1	328
Asian Paints Ltd	1	10	14,919	10	11,207
Aurobindo Pharma Ltd	1	500	3,93,000	500	2,78,625
Avenue Supermarts Ltd	10	50	73,505	50	66,350
Balmer Lawrie & Co Ltd	10	2,000	3,71,300	1,500	3,25,800
Banswara Syntex Ltd	10	4,500	3,12,300	3,000	2,95,200
BAYER Cropscience Ltd	10	11	48,228	11	46,233
Bodal Chemicals Ltd	2	5	634	5	608
Camlin Fine Sciences Ltd	10	1,000	74,775	1,500	1,52,850
Clariant Chemicals (India) Ltd	10	2	725	2	1,064
Cummins India Ltd	2	191	1,41,655	190	1,33,219
Deepak Nitrite Ltd	2	10	2,746	10	2,488
DIC India Ltd	10	250	1,16,000	250	1,16,000
Dishman Carbogen Amcis Ltd	2	2	419	2	641
EID Parry (India) Ltd	1	10	2,058	10	2,764
Excel Crop Care Ltd	10	1	3,641	1	3,036
Excel Industries Ltd	5	1	1,147	1	867
GHCL Ltd	10	1	247	1	260
Gujarat Alkalies and Chemicals Ltd	10	1	494	1	700
Hindustan Unilever Ltd	1	1	1,708	1	1,336
IDFC First Bank Ltd	10	15,729	8,68,694	6,000	2,84,100
Indian Toners and Developers Ltd	10	1	142	1	239
J D Orgochem Ltd	1	1	4	1	4
Lupin Ltd	2	5	3,696	5	3,682
Mardia Chemicals Ltd	10	1	-	1	-
Marico Ltd	1	80	27,620	80	26,088
Mayur Uniquoters Ltd	10	500	1,75,300	500	2,37,075
Metro Global Ltd	10	1	55	1	77
Monsanto India Ltd	10	2	5,199	2	5,488
NACL Industries Ltd	1	12	359	12	474
Navinon Ltd	10	1	-	1	-
Nikhil Adhesives Ltd	10	1	126	1	240
NOCIL Ltd	10	2,001	2,94,447	2,001	3,82,891
Novartis India Ltd	5	10,033	68,80,631	10,033	61,43,206
Orchid Pharma Ltd	10	1	5	1	11
Pidilite Industries Ltd	1	2	2,485	2	1,837
Piramal Enterprises Ltd	2	105	2,89,243	5	12,202
Power Mech Projects Ltd	10	20	18,402	200	1,69,220
Prabhat Dairy Ltd	10	2,500	1,91,500	1,500	2,24,775
Praj Industries Ltd	10	1,000	1,55,205	1,000	80,405
Punjab Alkalies and Chemicals Ltd	10	1	59	1	36

(₹)

Atul Finserv Ltd

Notes to the Financial Statements



Note 3.2 Other investments (continued)	Face Value	As at		As at	
		March 31, 2019		March 31, 2018	
		Number of shares	Value	Number of shares	Value
Rallis India Ltd	1	10	1,651	10	2,365
RPG Life Science Ltd	10	1	248	1	382
Sanghvi Movers Ltd	2	500	55,425	500	88,550
Sanofi India Ltd	10	1	5,835	1	5,163
Sequent Scientific Ltd	2	5	359	5	387
Shreyans Industries Ltd	10	1	150	1	147
Southern Petrochemicals Industries Corporation Ltd	10	1	25	1	34
Sree Rayalaseeme Hi-Strength Hypo Ltd	10	1	170	1	146
Sudarshan Chemical Industries Ltd	2	10	3,450	10	4,388
Tata Chemicals Ltd	10	1	587	1	676
Tata Motors Ltd	2	3,500	6,10,050	500	1,63,725
Texmaco Infrastructure & Holdings Ltd	1	-	-	1,650	1,01,310
The Dharamsi Morarj Chemical Co Ltd	10	1	147	1	95
Thomas Cook (I) Ltd	1	500	1,26,350	-	-
Torrent Pharmaceuticals Ltd	5	2	3,905	2	2,496
Uniphos Enterprises Ltd	2	1	111	1	82
United Phosphorus Ltd	2	10	9,560	10	7,281
VA Tech Wabag Ltd	2	1,500	4,96,699	548	2,71,726
Wockhard Ltd	5	3	1,329	3	2,179
Unquoted					
Gujarat Synthwood Ltd ¹	10	3,00,800	-	3,00,800	-
			1,18,89,601		96,65,570

¹ Under liquidation

Note 3.3 Current investments	As at		As at	
	March 31, 2019		March 31, 2018	
Investment in mutual funds				
i) Aditya Birla Sun Life Liquid Fund (March 31, 2019: 28,294 units, March 31, 2018: 61,566 units)		80,76,560		61,68,609
ii) Axis Arbitrage fund (March 31, 2019: 31,66,907 units, March 31, 2018: Nil)		3,49,76,043		-
		4,30,52,603		61,68,609
Aggregate amount of quoted investments		1,39,22,242		1,16,98,211
Aggregate market value of quoted investments		49,84,69,357		58,16,82,335
Aggregate amount of unquoted investments		20,52,00,171		16,62,66,177
Aggregate amount of impairment in value of investments		-		-

Note 4 Loans	As at		As at	
	March 31, 2019		March 31, 2018	
	Current	Non-current	Current	Non-current
Considered good - unsecured				
Loans to related parties (refer Note 21.3)	-	4,55,43,745	-	-
Loans to others	15,35,174	22,05,779	-	20,32,621
	15,35,174	4,77,49,524	-	20,32,621

Atul Finserv Ltd

Notes to the Financial Statements



Note 5 Other financial assets		As at		As at	
		March 31, 2019		March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Security deposits	-	10,000	-	-
b)	Amount receivable from a related party into joint operation	91,468	-	3,06,20,832	-
		91,468	10,000	3,06,20,832	-

Note 6 Other current assets		As at		As at	
		March 31, 2019		March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Balances with the statutory authorities				
	GST Receivable	9,26,23,067	-	2,22,17,919	-
b)	Capital advance	-	49,64,091	-	5,61,89,927
c)	Advance for goods and services	49,73,702	-	84,653	-
		9,75,96,769	49,64,091	2,23,02,572	5,61,89,927

Note 7 Trade receivables		As at		As at	
		March 31, 2019		March 31, 2018	
		Considered good - unsecured			
	Related parties (refer Note 21.3)		15,77,177		18,57,172
Total receivables			15,77,177		18,57,172

Note 8 Cash and cash equivalents		As at		As at	
		March 31, 2019		March 31, 2018	
a)	Balances with banks in current accounts		14,21,798		55,32,017
b)	Cash on hand		31,152		171
			14,52,950		55,32,188

There are no repatriations restrictions with regard to cash and cash equivalents.

Note 9 Equity share capital		As at		As at	
		March 31, 2019		March 31, 2018	
		Authorised			
37,87,630 (March 31, 2018: 37,87,630) equity Shares of ₹ 100 each			37,87,63,000		37,87,63,000
Issued, subscribed and paid up					
5,00,000 (March 31, 2018: 5,00,000) equity Shares originally of ₹ 100 each, reduced to ₹ 7 each per Share fully paid up			35,00,000		35,00,000
30,16,516 (March 31, 2018: 20,83,971) equity Shares of ₹ 100 each			30,16,51,600		20,83,97,100
			30,51,51,600		21,18,97,100

- a) Pursuant to Section 100 of the Companies Act, 1956, the Capital Reduction Scheme sanctioned by the High Court of Mumbai dated June 6, 2002, the issued and paid up Share Capital of the Company was reduced from ₹ 50,000,000 divided into 5,00,000 equity shares of ₹ 100 each to ₹ 3,500,000 divided into 5,00,000 equity shares of ₹ 7 each.

Atul Finserv Ltd



Notes to the Financial Statements

- b) Rights, preferences and restrictions:
The Company has one class of equity Shares. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend which is declared by the Board of Directors. 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. The distribution will be in proportion to the number of Equity Shares held by the shareholders.

- c) Movement in Equity share capital

	(₹)	
	Number of shares	Equity share capital
As at March 31, 2017	17,25,533	12,60,53,300
Add : Share issue to Atul Ltd	8,58,438	8,58,43,800
As at March 31, 2018	25,83,971	21,18,97,100
Add : Share issue to Atul Ltd	9,32,545	9,32,54,500
As at March 31, 2019	35,16,516	30,51,51,600

- d) Details of Shareholders holding more than 5% of Equity shares:

No	Name of the Shareholder	As at		As at	
		March 31, 2019		March 31, 2018	
		Holding %	Number of shares	Holding %	Number of shares
1	Atul Ltd (Holding Company)	100.00%	35,16,516	100.00%	25,83,971

	(₹)	
Note 10 Other equity	As at March 31, 2019	As at March 31, 2018
a) Securities premium		
Balance as at the beginning of the year	15,96,94,190	-
Add: Securities Premium on issue of share	21,23,37,216	15,96,94,190
Less: Share issue expenses	(4,83,091)	-
Balance as at the end of the year	37,15,48,315	15,96,94,190
b) General reserve	1,56,25,000	1,56,25,000
c) Retained earnings		
Balance as at the beginning of the year	1,21,49,973	1,18,72,224
Add: Profit (Loss) for the year	(14,28,508)	9,56,249
Less: Share issue expenses	-	(11,49,895)
Add: Remeasurement gain (loss) on defined benefit plans	(40,800)	-
Add: Transfer from OCI on disposal of FVOCI equity instruments	1,56,581	4,71,395
Balance as at the end of the year	1,08,37,246	1,21,49,973
d) Other reserves		
FVOCI Equity instruments		
Balance as at the beginning of the year	(7,17,270)	1,49,611
Add: Equity instruments through Other Comprehensive Income (FVOCI)	3,32,210	(3,95,486)
Less: Transfer to retained earnings on disposal of FVOCI equity instruments	(1,56,581)	(4,71,395)
Balance as at the end of the year	(5,41,641)	(7,17,270)
	39,74,68,920	18,67,51,893

Nature and Purpose of other reserves

- a) Securities premium
Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.
- b) General reserve
General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.
- c) Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to OCI, dividends or other distributions paid to shareholders.
- d) FVOCI - Equity investments
The Company has elected to recognise changes in the fair value of certain investments in equity securities to other comprehensive income. These changes are accumulated within the FVOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

Atul Finserv Ltd

Notes to the Financial Statements



Note 11 Borrowings	Maturity	Terms of repayment	Effective interest rate p.a.	As at March 31, 2019		As at March 31, 2018	
				Current	Non-current	Current	Non-current
				Secured Rupee term loan from bank (refer Note a)	84 Months	20 equal quarterly instalments of Rs 5 Cr, starting from October 2020	8.9% (6 Months MCLR + 0.10%)
				-	27,81,61,980	-	-

a) Rupee term loan from a bank is secured by way of exclusive charge on all movable and immovable assets of MCA project except land, mortgage of lease hold rights of land and lien over Debt Service Reserve Account (DSRA), present and future.

b) The carrying amount of assets hypothecated | mortgaged as security for borrowing limits are:

Particulars	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
First charge for non-current and current borrowings				
Property, plant and equipment		1,35,93,614		-
Capital work-in-progress		75,45,70,690		-
		76,81,64,304		-

Note 12 Other financial liabilities	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
	a) Employee benefits payable	6,15,507	-	5,67,882
b) Security deposits	-	35,03,535	2,81,535	-
c) Creditor for capital goods	15,97,77,824	-	1,44,89,387	-
	16,03,93,331	35,03,535	1,53,38,804	-

Note 13 Trade payables	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
a) Total outstanding dues of micro enterprises and small enterprises		-		-
b) Total outstanding dues of creditors other than micro enterprises and small enterprises				
i) Related party (refer note 21.3)		5,50,489		6,11,256
ii) Others		1,58,800		1,53,000
		7,09,289		7,64,256

Note 14 Other current liabilities	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
a) Statutory dues (net)		8,03,837		10,46,754
		8,03,837		10,46,754

Note 15 Provisions	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
	a) Provision for leave entitlement	73,016	1,96,479	2,45,721
	73,016	1,96,479	2,45,721	-

(i) Information about individual provisions and significant estimates

a) Leave entitlement

The leave entitlement covers the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 73,016 (March 31, 2018: ₹ 47,144) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations.



Notes to the Financial Statements

	(₹)	
Note 16 Revenue from operations	2018-19	2017-18
Revenue from contracts with customers:		
Sale of services		
Business auxiliary services	81,23,323	65,04,898
	81,23,323	65,04,898

	(₹)	
Note 17 Other income	2018-19	2017-18
Dividend from equity investment measured at FVOCI ¹	1,45,046	1,17,264
Dividend on current investments	1,65,673	3,90,399
Interest from others	31,64,583	7,16,391
Exchange rate difference gain (net)	15,75,162	-
Gain on investment measured at FVPL	1,64,607	-
Miscellaneous income	12,500	1,000
	52,27,571	12,25,054

¹ All dividends from equity investment measured at FVOCI recognised for the years relate to investments held at the end of reporting period.

	(₹)	
Note 18 Employee benefit expenses	2018-19	2017-18
Salaries, wages and bonus	61,86,007	47,02,509
Contribution to Provident and other funds	3,51,196	3,27,944
Staff welfare expenses	1,64,318	33,035
	67,01,521	50,63,488

	(₹)	
Note 19 Finance costs	2018-19	2017-18
Interest on borrowing	32,586.00	-
Interest on others	864.00	60
	33,450.00	60

	(₹)	
Note 20 Other expenses	2018-19	2017-18
Travelling and conveyance	4,77,074	4,64,191
Payments to the Statutory Auditors		
a) Audit fees	1,69,800	1,68,000
b) Out of pocket expenses	1,993	-
Directors' fees	80,000	80,000
Manpower services	30,67,676	6,28,765
Rent paid	50,000	50,000
Legal and professional fees	2,42,300	98,556
Bank charges	33,34,976	-
Miscellaneous expenses	11,72,259	1,60,625
	85,96,078	16,50,137



Notes to the Financial Statements

Note 21.1 Commitments

Capital commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	(₹)	
	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	20,77,98,498	17,62,42,490

Note 21.2 Earning per share

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

Particulars	(₹)	
	2018-19	2017-18
Profit (Loss) for the year attributable to the Equity Shareholders	₹ (14,28,508)	9,56,249
Basic Weighted average number of equity shares outstanding during the year	Number 32,54,312	19,33,830
Nominal value of equity share (₹) of 5,00,000 (March 31, 2018: 5,00,000)	₹ 7	7
Nominal value of equity share (₹) of 30,16,516 (March 31, 2018: 20,83,971)	₹ 100	100
Basic and diluted Earning per equity share	₹ (0.44)	0.49

Note 21.3 (A) Related Party information

Name of the Related Party and description of relationship:

No	Name of the Related Party Party where control exists	Description of relationship
1	Atul Ltd	Holding company
2	Atul Fin resource Ltd	Subsidiary companies
3	Atul Nivesh Ltd	
4	Anaven LLP	Joint operation
Parties under common control with whom transactions have taken place during the year		
5	Amal Ltd	Subsidiary companies of holding company
6	Atul Bioscience Ltd	
7	Atul Infotech Pvt Ltd	
8	Atul Rajasthan Date Palms Ltd	
9	Lapox Polymers Ltd	
10	Rudolf Atul Chemicals Ltd	Joint venture company of holding company

(₹)

Note 21.3 (B) Transactions and balance with Holding company

	2018-19	2017-18
1 Service charges received		
Atul Ltd	81,23,323	65,04,898
2 Issuance of Equity Share to (including security premium)		
Atul Ltd	30,55,91,716	24,55,37,881
3 Service charges paid		
Atul Ltd	2,98,95,847	5,98,55,224
4 Reimbursement of expense		
Atul Ltd	1,69,38,617	1,50,18,924
5 Lease rent		
Atul Ltd	50,000	50,000
6 Outstanding balances as at year end		
Trade Receivable		
Atul Ltd	15,77,177	18,55,785
Trade Payable		
Atul Ltd	1,58,17,906	47,75,610



Notes to the Financial Statements

(₹)

Note 21.3 (B) Transactions with subsidiary companies of holding company	2018-19	2017-18
1 Reimbursement of expense		
Amal Ltd	19,549	7,967
Atul Bioscience Ltd	28,188	14,675
Atul Infotech Pvt Ltd	8,052	55,123
Atul Rajasthan Date Palms Ltd	-	1,925
2 Direct investment made in Equity shares		
Atul Infotech Pvt Ltd	-	2,79,97,869
3 Interest received		
Atul Bioscience Ltd	8,64,370	-
4 Loan given		
Atul Bioscience Ltd	4,50,00,000	-
5 Outstanding balances as at year end		
Interest Receivable		
Atul Bioscience Ltd	5,43,745	-
Trade Receivable		
Atul Bioscience Ltd	-	3,755
Atul Infotech Pvt Ltd	-	1,400
Atul Rajasthan Date Palms Ltd	-	2,246

(₹)

Note 21.3 (D) Transactions with joint venture company of holding company	2018-19	2017-18
1 Reimbursement of expense		
Rudolf Atul Chemicals Ltd	9,979	5,934
2 Outstanding balances as at year end		
Receivable		
Rudolf Atul Chemicals Ltd	1,553	-

- i) There are no provisions for doubtful debts or amounts written back in respect of debts due to or due from related parties.
- ii) Related party relationship is as identified by the Company and relied upon by the Auditors.

Note 21.4 Current and Deferred tax

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are:

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

(₹)

	2018-19	2017-18
i) Current tax		
Current tax on profits for the year	3,73,395	2,11,245
Adjustments for current tax of prior periods	(2,690)	-
Total current tax expense	3,70,705	2,11,245
ii) Deferred tax		
(Decrease) increase in deferred tax liabilities	3,79,593	-
Decrease (increase) in deferred tax assets	(20,30,314)	(1,51,227)
Total deferred tax expense (benefit)	(16,50,721)	(1,51,227)
Income tax expense	(12,80,016)	60,018

b) Income tax expense recognised in the Statement of Other Comprehensive Income:

(₹)

Particulars	2018-19	2017-18
i) Current tax		
Remeasurement gain (loss) on defined benefit plans	9,720	-
Total current tax expense	9,720	-

c) The reconciliation between the statutory income tax rate applicable to the Company and the effective income tax rate of the Company is as follows :

	As at March 31, 2019	As at March 31, 2018
Statutory income tax rate	19.24%	19.06%
Differences due to:		
Profit on sale on Investments measured at FVOCI	1.53%	10.01%
Income exempt from income tax - Dividend Income	-1.83%	-10.73%
Other	-0.49%	-
Effective income tax rate	18.45%	18.34%



Notes to the Financial Statements

Note 21.4 Current and Deferred tax (continued)**c) Tax losses**

During the year 2018-19, deferred tax assets of ₹ 16,66,641 has been recognised in respect of unused tax losses as they may be used to offset against taxable profits of the Company and there are other tax planning opportunities or other evidence of recoverability in the near future.

d) Current tax assets

	As at March 31, 2019	As at March 31, 2018
Opening balance	16,29,373	15,07,126
Add: Current tax payable for the year	3,80,426	-
Less: Taxes paid	(3,15,580)	1,22,247
Closing balance	16,94,219	16,29,373

e) Current tax liabilities

	As at March 31, 2019	As at March 31, 2018
Opening balance	-	2,04,367
Add: Current tax payable for the year	-	2,11,245
Less: Taxes paid	-	(4,15,612)
Closing balance	-	-

f) Deferred tax assets

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
		(Charged) Credited to profit or loss OCI		(Charged) Credited to profit or loss OCI		As at March 31, 2017
Property, plant and equipment	3,62,811	3,62,811	-	-	-	-
Unrealised Gain on MF measured	16,782	16,782	-	-	-	-
Total deferred tax liabilities	3,79,593	3,79,593	-	-	-	-
MAT credit entitlement	(11,65,701)	(3,66,292)	(7,99,409)	1,66,316	-	(9,65,725)
Unused Tax losses	(16,66,641)	(16,66,641)	-	-	-	-
Total deferred tax assets	(28,32,342)	(20,32,933)	(7,99,409)	1,66,316	-	(9,65,725)
Net deferred tax liabilities (assets)	(24,52,748)	(16,53,340)	(7,99,409)	1,66,316	-	(9,65,725)

Note 21.5 Micro, Small and Medium Enterprises Development

The Company has not received any intimation from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at year end together with interest paid | payable as required under said Act have not been given.

Note 21.6 Consolidated Financial Statements

The Company is not required to prepare Consolidated Financial Statements in accordance Para 4 (a) (iv) of IND AS 110 'Consolidated Financial Statements'.

The Financial Statements are separate Financial Statement of the Company.

Atul Limited (Holding Company) having principal place of business in Valsad (Gujarat) have prepared Consolidated Financial Statements, that comply with Ind AS and the same is available at website of the Holding Company and at BSE | NSE.

Note 21.7 Commitments

The Company has a commitment of ₹ nil (Previous year: ₹ 25,31,27,984) towards capital contribution to jointly controlled operation.



Notes to the Financial Statements

Note 21.8 Segment information

a) Description of Segments and principal activities

The Company has determined the two reporting segments namely Performance and Other Chemicals, Investing activity and Business Auxiliary Services based on the information reviewed by Chief Operating Decision Maker.

b) Primary Segment - business

Particulars	Performance and Other Chemicals		Investing activity and Business Auxiliary Services		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
i) Segment revenue						
Gross revenue	-	-	81,23,323	65,04,898	81,23,323	65,04,898
Net revenue from operations	-	-	81,23,323	65,04,898	81,23,323	65,04,898
ii) Segment results						
Profit (Loss) before finance cost and tax	(46,47,098)	1,19,186	19,72,025	8,97,141	(26,75,074)	10,16,327
Less: Finance costs	32,586	-	864	60	33,450	60
Less: Other unallocable expenditure (net of unallocable income)	-	-	-	-	-	-
Profit (Loss) before tax	(46,79,684)	1,19,186	19,71,161	8,97,081	(27,08,524)	10,16,267
iii) Other information						
Segment assets	90,58,84,297	20,08,47,554	24,05,77,690	21,51,96,974	1,14,64,61,987	41,60,44,528
Unallocated common assets	-	-	-	-	-	-
Total assets	90,58,84,297	20,08,47,554	24,05,77,690	21,51,96,974	1,14,64,61,987	41,60,44,528
Segment liabilities	44,21,93,725	1,57,73,900	16,47,743	16,21,635	44,38,41,467	1,73,95,535
Unallocated common liabilities	-	-	-	-	-	-
Total liabilities	44,21,93,725	1,57,73,900	16,47,743	16,21,635	44,38,41,467	1,73,95,535
Additions to assets and intangible assets	65,67,37,867	17,33,05,973	54,000	-	65,67,91,867	17,33,05,973
Unallocated additions to assets and intangible assets	-	-	-	-	-	-
Total capital expenditure¹	65,67,37,867	17,33,05,973	54,000	-	65,67,91,867	17,33,05,973
Depreciation	7,25,519	-	2,850	-	7,28,369	-
Unallocated depreciation	-	-	-	-	-	-
Total depreciation	7,25,519	-	2,850	-	7,28,369	-

c) Secondary Segment - geographical

Particulars	In India		Outside India		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment revenue	81,23,323	65,04,898	-	-	81,23,323	65,04,898
Carrying cost of assets by location of assets	1,14,64,61,987	41,60,44,528	-	-	1,14,64,61,987	41,60,44,528
Additions to assets and intangible assets ¹	65,67,91,867	17,33,05,973	-	-	65,67,91,867	17,33,05,973

¹ Including capital work-in-progress and capital advances

Other disclosures:

- The Company has disclosed business segment as the primary segment which have been identified in line with the Ind AS 108 'Operating Segments' taking into account the organisation structure as well as the differing risks and returns.
- The Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.
- Segment revenue received from single customer (Holding company) ₹ 81,23,323 (Previous year: ₹ 65,04,898).



Notes to the Financial Statements

Note 21.10 Employee benefit obligations

Funded schemes

a) Defined benefit plans:

Gratuity

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

Balance Sheet amount (Gratuity)

Particulars	Present value of obligation	Fair value of plan assets	(₹)
			Net amount
As at March 31, 2017	12,54,375	(6,37,537)	6,16,838
Current service cost	55,253	-	55,253
Interest expense (income)	87,342	(42,367)	44,975
Total amount recognised in profit and loss	1,42,595	(42,367)	1,00,228
Employer contributions	-	(5,40,501)	(5,40,501)
Benefit payments	-	-	-
As at March 31, 2018	13,96,970	(12,20,405)	1,76,565
Current service cost	48,599	-	48,599
Interest expense (income)	1,06,868	(92,955)	13,913
Total amount recognised in profit and loss	1,55,467	(92,955)	62,512
Remeasurement			
Return on plan assets, excluding amount included in interest expense (income)	-	20,050	20,050
(Gain) Loss from change in financial assumptions	15,204	-	15,204
(Gain) Loss from change in demographic assumptions	(3,646)	-	(3,646)
Experience (gain) loss	18,912	-	18,912
Total amount recognised in other comprehensive income	30,470	20,050	50,520
Employer contributions	-	(1,27,614)	(1,27,614)
Benefit payments	-	-	-
As at March 31, 2019	15,82,907	(14,20,924)	1,61,983

The net liability disclosed above relates to funded and unfunded plans are as follows:

Particulars	(₹)	
	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	15,82,907	13,96,970
Fair value of plan assets	(14,20,924)	(12,20,405)
Deficit of Gratuity plan	1,61,983	1,76,565

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	(₹)	
	As at March 31, 2019	As at March 31, 2018
Discount rate	7.07%	7.65%
Attrition rate	11.87%	9.70%
Rate of return on plan assets	7.07%	7.65%
Salary escalation rate	8.04%	8.27%

Sensitivity analysis

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 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	1.00%	1.00%	(2.67%)	(3.11%)	2.87%	3.36%
Attrition rate	1.00%	1.00%	(0.14%)	(0.10%)	0.15%	0.11%
Salary escalation rate	1.00%	1.00%	2.82%	3.31%	(2.67%)	(3.12%)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied 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.

Major category of plan assets are as follows:

Particulars	(₹)	
	As at March 31, 2019	As at March 31, 2018
Insurance fund	13,96,093	12,15,101

Risk exposure

Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Plan asset investments are in insurance fund with fixed income securities. These are subject to interest rate risk.

ii) Changes in bond yields

A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of other bond holdings.

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods.

Assets consists insurance funds. The plan asset is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 1,407,88



Notes to the Financial Statements

Note 21.10 Employee benefit obligations (continued)

The weighted average duration of the defined benefit obligation is 4 years. The expected maturity analysis of gratuity is as follows:

Particulars	(₹)				
	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2019	5,53,542	1,33,586	5,15,229	7,99,540	20,01,897
As at March 31, 2018	4,76,834	1,00,568	4,58,485	8,54,460	18,90,347

Defined contribution plans:

Provident fund:

Amount of ₹ 1,00,337 (March 31, 2018: ₹ 74,462) is recognised as expense and included in the Note 18 'Contribution to Provident and other funds'.

Compensated absences:

Amount of ₹ 23,774 (March 31, 2018: ₹ 29,728) is recognised as expense and included in the Note 18 'Salaries, wages and bonus'.

Note 21.11: Fair value measurements

Financial instruments by category

	As at			As at		
	March 31, 2019			March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Equity instruments	-	1,18,89,602	-	-	96,65,570	-
- Mutual funds	4,30,52,603	-	-	61,68,609	-	-
Trade receivables	-	-	15,77,177	-	-	18,57,172
Loans	-	-	4,92,84,698	-	-	20,32,621
Security deposits	-	-	10,000	-	-	-
Amount receivable from a related party into joint operation	-	-	91,468	-	-	3,06,20,832
Cash and cash equivalents	-	-	14,52,950	-	-	55,32,188
Total financial assets	4,30,52,603	1,18,89,602	5,24,16,293	61,68,609	96,65,570	4,00,42,813
Financial liabilities						
Borrowings	-	-	27,81,61,980	-	-	-
Trade payables	-	-	7,09,289	-	-	7,64,256
Employee benefits obligation	-	-	6,15,507	-	-	5,67,882
Security deposits	-	-	35,03,535	-	-	2,81,535
Creditor for capital goods	-	-	15,97,77,824	-	-	1,44,89,387
Total financial liabilities	-	-	44,27,68,134	-	-	1,61,03,060

(i) 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.

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2019	Note				Total
		Level 1	Level 2	Level 3	
Financial assets					
<u>Financial Investments at FVPL</u>					
Mutual funds		-	4,30,52,603	-	4,30,52,603
<u>Financial Investments at FVOCI</u>					
Quoted equity instruments		1,18,89,602	-	-	1,18,89,602
Total financial assets		1,18,89,602	4,30,52,603	-	5,49,42,205

Assets and liabilities measured at fair value - recurring fair value measurements as at March 31, 2018	Note				Total
		Level 1	Level 2	Level 3	
Financial assets					
<u>Financial Investments at FVPL</u>					
Mutual funds		-	61,68,609	-	61,68,609
<u>Financial Investments at FVOCI</u>					
Quoted equity instruments		96,65,570	-	-	96,65,570
Total financial assets		96,65,570	61,68,609	-	1,58,34,179

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 that have a quoted price. The fair value of all equity instruments which are traded in the stock exchanges is valued using the closing price as at the reporting period.

Level 2 : Level 2 This includes mutual funds which are valued using the closing NAV.



Notes to the Financial Statements

Note 21.11: Fair value measurements (continued)

(ii) Fair value of financial assets and liabilities measured at amortised cost

The carrying amounts of trade receivables, loans, security deposits, cash and cash equivalents, trade payables, capital creditors, employee benefits obligation, security deposits are considered to be the same as their fair values due to the current and short-term nature of such balances.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Note 21.12: Financial risk management

a) Management of liquidity risk

The principal sources of liquidity of the Company are cash and cash equivalents, borrowings and the cash flow that is generated from operations. The Company believes that current cash and cash equivalents, tied up borrowing lines and cash flow that is generated from operations is sufficient to meet requirements. Accordingly, liquidity risk is perceived to be low.

The following table shows the maturity analysis of financial liabilities of the Company based on contractually agreed undiscounted cash flows as at the Balance Sheet date:

(₹)					
As at March 31, 2019	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	11	27,81,61,980	-	27,81,61,980	27,81,61,980
Trade payables	13	7,09,289	7,09,289	-	7,09,289
Employee benefits obligation	12	6,15,507	6,15,507	-	6,15,507
Security deposits	12	35,03,535	-	35,03,535	35,03,535
Creditors for capital goods	12	15,97,77,824	15,97,77,824	-	15,97,77,824
As at March 31, 2018	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Trade payables	13	7,64,256	7,64,256	-	7,64,256
Employee benefits obligation	12	5,67,882	5,67,882	-	5,67,882
Security deposits	12	2,81,535	2,81,535	-	2,81,535
Creditors for capital goods	12	1,44,89,387	1,44,89,387	-	1,44,89,387

b) Management of market risk

The size and operations of the Company result in it being exposed to the following market risks that arise from its use of financial instruments:

- i) price risk
- ii) foreign exchange risk

The above risks may affect income and expenses, or the value of its financial instruments of the Company. The objective of the Management of the Company for market risk is to maintain this risk within acceptable parameters, while optimising returns. The Company exposure to, and Management of, these risks is explained below:

POTENTIAL IMPACT OF RISK	MANAGEMENT POLICY	SENSITIVITY TO RISK
<p>i) Price risk</p> <p>The Company is mainly exposed to the price risk due to its investments in equity instruments. The price risk arises due to uncertainties about the future market values of these investments.</p> <p>The fair value of quoted investments of the Company is in fair value through Other Comprehensive Income securities exposes the Company to equity price risks. Equity price risk is related to the change in market reference price of the investments in equity securities.</p> <p>In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities.</p> <p>The fair value of quoted equity instruments classified as fair value through Other Comprehensive Income as at March 31, 2019 is ₹ 1,18,89,601 (March 31, 2018: ₹ 96,65,570).</p>	<p>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 at group level.</p> <p>Any new investment or divestment must be approved by the Board of Directors, Chief Executive Officer.</p>	<p>As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows.</p> <p>For equity instruments, a 10% increase in prices would have led to approximately an additional ₹ 11,88,690 gain in other comprehensive income (2017-18: ₹ 9,66,557 gain). A 10% decrease in prices would have led to an equal but opposite effect.</p>
<p>ii) Foreign exchange risk</p> <p>The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows.</p>	<p>The Company has exposure arising out of import other than functional risks.</p>	<p>As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Financial Statements, the Company has calculated the impact as follows:</p> <p>For import creditor for capital goods, a 10% increase in rate would have led to approximately an additional ₹ 1,57,516 gain in the Statement of Profit and Loss (2017-18: ₹ nil). A 10% decrease in prices would have led to an equal but opposite effect.</p>



Notes to the Financial Statements

Note 21.12: Financial risk management (continued)

Foreign currency risk exposure:

The exposure to foreign currency risk of the Company at the end of the reporting period expressed are as follows:

Particulars	As at March 31, 2019	
	(€)	(₹)
Financial liabilities		
Creditors for capital goods	16,923	13,13,003
Net exposure to foreign currency risk (liabilities)	16,923	13,13,003

Note 21.13: Capital management

The primary objective of capital management of the Company is to maximise shareholder value. The Company monitors capital using Debt-Equity ratio which is total debt divided by total equity.

For the purpose of capital management, the Company considers the following components of its Balance Sheet to manage capital:

Total equity includes general reserve, retained earnings, share capital, security premium. Total debt includes current debt plus non-current debt.

Particulars	As at March 31, 2019		As at March 31, 2018	
				(₹)
Total debt	27,81,61,980		-	
Total equity	70,26,20,520		18,67,51,893	
Debt-Equity ratio	0.40		-	

Note 28.14 Loans

Disclosures pursuant to the Section 186 (4) of the Companies Act, 2013.

Particulars	Purpose	Amount outstanding as at		Maximum balance	
		March 31, 2019	March 31, 2018	2018-19	2017-18
		(₹)			
Subsidiary companies of holding company:					
Atul Bioscience Ltd	Funding support	4.55	-	4.55	-

Notes:

- Loans given to employees as per the policy of the Company are not considered.
- The loanees did not hold any shares in the share capital of the Company.

Note 28.15 Offsetting financial assets and liabilities

The below Note presents the recognised assets that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2019.

a) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its borrowings. Refer to Note 11 for further information on assets hypothecated | mortgaged as security against borrowings.

Note 21.16 Regrouped | Recast | Reclassified

Figures of the earlier year have been regrouped | recast | reclassified wherever necessary.

Note 21.17 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board of Directors on April 15, 2019.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Samir R. Shah
Partner

A A Desai
Chief Executive Officer

T R Gopi Kannan
Chairman

R R Joshi
Chief Finance Officer

Lalit Patni
Director

Mumbai
April 15, 2019

A P Patadiya
Company Secretary

Mumbai
April 15, 2019