



Atul
touching lives...

ENDEAVOUR

Efficient Eco-friendly Interdependent

Atul Ltd | Annual Report 2015-16

We have depicted a leaf on the cover page for it is worthy of emulation: as very aptly described by Mr Eric Drexler, a pioneer in Nanotechnology, ‘... a leaf is more sophisticated than a spacecraft, more finely patterned than the latest chip from Silicon Valley ...’. A leaf signifies efficiency – it does not require baking, grinding, stirring or human labour, but it gathers solar energy and with that processes carbon dioxide and water into oxygen and molecular building blocks; a leaf is eco-friendly – it does not generate heat or toxic materials; and finally a leaf symbolises interdependence — it does not exist in isolation, but instead co-exists synergistically with the rest of the tree. In many ways, a leaf emphasises the endeavour of the team Atul.



Contents

When the root is deep, there is no need to fear the wind.

~ A Chinese Proverb

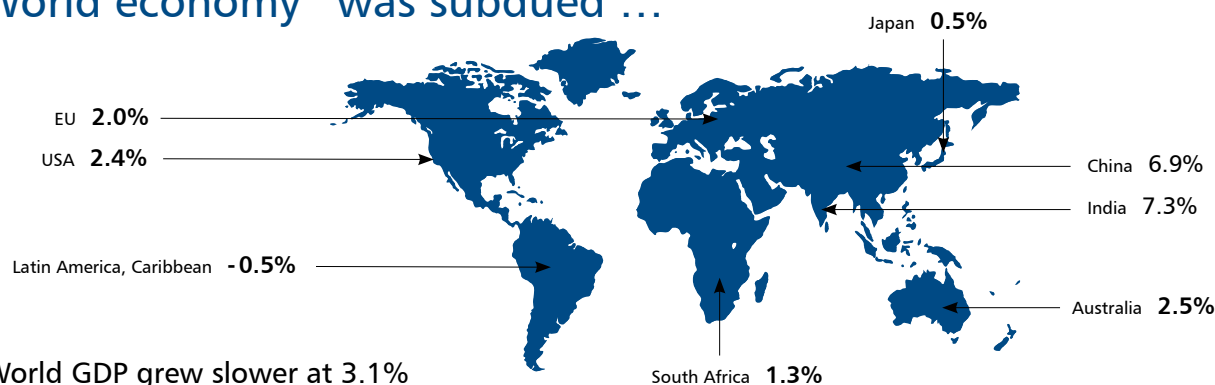
01	Looking back 2015-16	18	Serving the society
02	Corporate identity	20	Board of Directors
04	Serving diverse industries	21	Directors' Report
05	Footprint	25	Annexure to the Directors' Report
06	Purpose and Values	49	Management Discussion and Analysis
08	Letter to the Shareholders	56	Corporate Governance
10	Operational highlights	72	Notice
13	Recognition	80	Performance trend
14	Financial charts	81	Financial Statements

Forward looking statements

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

Looking back | 2015-16

World economy* was subdued ...



World GDP grew slower at 3.1%

Crude oil and steel prices and forex rates moved widely ...



Between US\$ 26
and
US\$ 66 per barrel



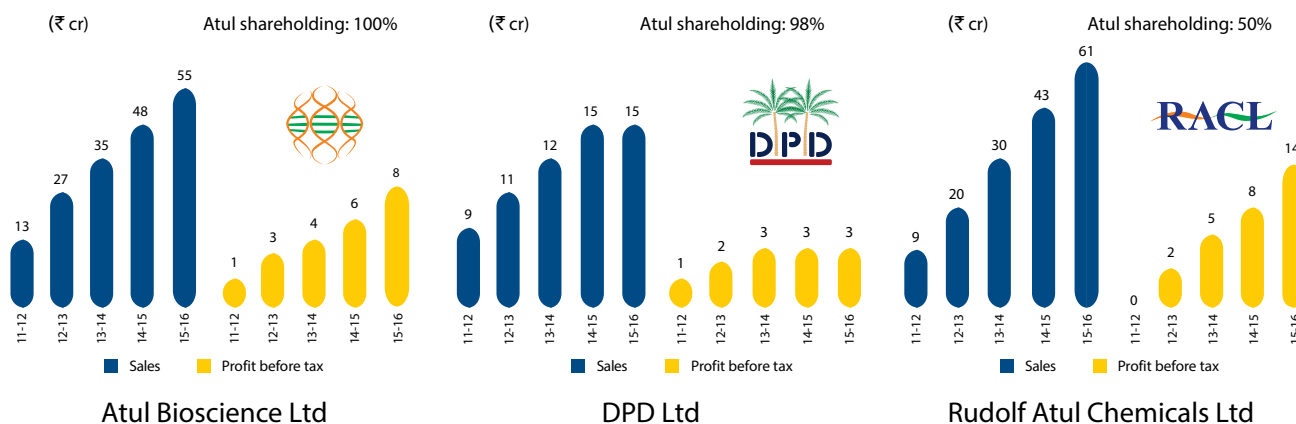
Between ₹ 32,500
and ₹ 39,800 per MT

US\$ v/s ₹

Between ₹ 62.16
and ₹ 68.78

Our Company continued to grow in a balanced way ...

- » Increased sales volume by 3% and profit before tax from operations from ₹ 312 cr to ₹ 390 cr
- » Undertook capex of ₹ 203 cr
- » Served the society with 23 initiatives



* Calendar year 2015 for all the countries except India where the year is April 2015 to March 2016

Corporate identity

Climb the mountain so you can see the world, not so the world can see you.

~ David McCullough



Himalayas

A mountain has the height, but not the depth; an ocean has the depth, but not the height. Let our thinking encompass the height of a mountain and the depth of an ocean.

We are a diversified Indian company meeting the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sports and Leisure, Textile, Tyre and Wind Energy across the world. We manage complex chemical processes in a responsible way.

In order to enhance focus, we have placed the products belonging to the 2 reporting segments, namely Life Science Chemicals and Performance and Other Chemicals, under 7 Sub-segments (interchangeably called Businesses), namely Aromatics, Bulk Chemicals and Intermediates, Colors, Crop Protection, Floras, Pharmaceuticals and Polymers – these in turn are managed through a matrix organisation structure for achieving all-round functional excellence.

Pioneering past

- » Founded by an enterprising leader, Mr Kasturbhai Lalbhai, on September 15, 1947
- ...
- » First private sector Company of India to be inaugurated by its first Prime Minister, Mr Jawaharlal Nehru
- » A company that has manufactured several value added products for the first time in India

Persistent present

- » Increasing efficiency and productivity, and strengthening people and business processes
- » Broadening and deepening its presence in the marketplace and building its brands business
- » Serving the society in the areas of education, empowerment, health, relief, conservation and infrastructure

Purposeful future

- » Developing broad product portfolio to serve industries with good growth potential
- » Leveraging depth in science and technology and having integrated manufacturing
- » Endeavouring sustainable growth through people and processes

Promoter group shareholding of ~51%

Equity share capital of ₹ 30 cr, net worth of ₹ 1,287 cr and debt equity of 0.24
Paid uninterrupted dividend since commencement of operations (except 1999-2000)



Serving diverse industries

there is a bit of Atul in ...



Agriculture



Composites



Construction



Cosmetic



Dyestuff



Electrical and Electronics



Fragrance



Glass



Home Care



Horticulture



Paints and Coatings



Paper



Personal Care



Pharmaceutical



Rubber



Soap and Detergent



Textile



Tyre

- » Production facilities in India (Ankleshwar and Valsad, Gujarat and Tarapur, Maharashtra)
- » Subsidiary company with production facility in the UK (Bristol)
- » Joint venture companies with production facilities in India (Valsad, Gujarat and Jodhpur, Rajasthan)
- » Distribution network for brand sales across India
- » Wholly-owned subsidiary companies in Brazil (Sao Paulo), China (Shanghai), the UAE (Dubai), the UK (Wilmslow) and the USA (Charlotte, North Carolina)
- ...
- » Manufactures about 920 products and 460 formulations divided into Life Science Chemicals and Performance and Other Chemicals Segments
- » Serves about 6,000 customers in 68 countries
- » Owns 69 brands

Amsac

Convo

Cyno

Loxo

Rhyzo

Rugo

Rymix

Salix

Zura



Resolute in Purpose

We are committed to significantly enhancing value for our Stakeholders by:

- » Fostering a spirit of continuous learning and innovation
- » Adopting the developments in science and technology
- » Providing high quality products and services, thus becoming the most preferred partner
- » Having people who practice values and exemplify high standards of behaviour
- » Seeking sustained, dynamic growth and securing long-term success
- » Taking responsible care of the surrounding environment
- » Improving the quality of life of the communities we operate in



Mr Kasturbhai Lalbhai
(1894 – 1980)

The legacy of our Founder has been synonymous with 3 terms in the broadest sense: excellence, perseverance and trusteeship. We, the people of Atul, have the most onerous of responsibilities: to expand and diversify business footprints and follow his figurative footsteps. We will endeavour to achieve this remit in full measure.

Mr Balwantrai Mazumdar
(1902 – 1981)

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



Mr Siddharth Kasturbhai
(1923 – 1998)

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



Rooted in Values

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



Integrity

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

Understanding

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



Unity

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

Responsibility

Delivering value and taking ownership of actions. Responsibility must also give us the realisation that what is good for the business must be in the overall good. In essence, we must work with the spirit of trusteeship not only for the Shareholders, but also for the other Stakeholders. What comes to us must be returned many times over.



Excellence

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

Letter to the Shareholders

Dear Shareholders,

We live in a time of extraordinary change – a change that is reshaping the way we live, the way we work. It is a change that is promising amazing breakthroughs, but also economic disruptions. It is a change that is broadening opportunities, but also widening inequalities. The constants which help us face the change are the eternal **Values**. The legendary Founder of our Company, Mr Kasturbhai Lalbhai, lived his life founded on integrity, discipline, perseverance, respect, simplicity and larger purpose, and we will nurture and promote these time-tested Values which also help businesses sustain and create value over time.

In 2015, the **world GDP** (size US\$73.2 tn) increased by 3.1%: GDP of – the USA (size US\$17.9 tn) increased by 2.4%, European Union (size US\$16.2 tn) increased by 1.6%, China (size US\$10.9 tn) increased by 6.9%, Japan (size US\$4.1 tn) increased by 0.5% and India (size US\$2.1 tn) increased by 7.3%. These numbers ultimately reflect the combined will of the respective Governments and people to perform. With forward looking policies of its Government and the aspirations of its people, India has the potential to sustain and increase its GDP, and we in our small way will work to make the 'Made in India' label proud.

World Chemical industry (size US\$4.4 tn) grew by 2% in 2015: Indian Chemical industry (size US\$103 bn) grew by 3%, but is still ranked 7 after China (size US\$1.5 tn), the USA (size US\$630 bn), Germany (size US\$198 bn), Japan (size US\$190 bn), South Korea (size US\$165 bn) and France (size US\$107 bn). According to a leading consulting firm, India has the potential to grow its Speciality Chemicals industry at 9%. Our Company has an advantage that its Businesses have good potential to grow (as the industries they serve are growing) and its manufacturing blueprint is reasonably complex (not complicated) and integrated, therefore not easily replicable.

Our Company maintained improvement trend in its **performance** – EBITDA margin increased to 20% (16%) and sales volume increased by 3% though sales value decreased to ₹2,407 cr (₹2,510 cr) mainly on account of poor performance of Colors Sub-segment and decrease in selling prices arising from lower prices of raw materials ... PBT from operations increased to ₹390 cr (₹312 cr) ... RoCE increased

to 31% (27%) ... Debt equity ratio improved to 0.24 (0.28) ... interest coverage ratio improved to 18.1 (16.3) ... Earning per share increased to ₹90 (₹73). The Board has recommended dividend of 100%, the highest so far.

During 2015-16, our Company completed **5 expansion projects** with an investment of ₹213 cr and invested ₹27 cr in the areas of environment and safety; it undertook 3 expansion projects with an investment of ₹98 cr which will be commissioned in 2016-17. We will take up new expansion projects for implementation in 2016-17 mainly to grow in existing, downstream and related products - we will make these investments mainly through internal accruals. As I had mentioned in my letter last year, we will aim for achieving sales of ₹4,000 cr in 2017-18; it is a stretched number – nonetheless, sin is not to fail, but to aim low!

The **subsidiary and associate companies** also maintained improvement trend in their performance – Atul Bioscience, DPD, Rudolf Atul Chemicals and Amal have all increased their sales and PBT from operations. Atul Rajasthan Date Palms commenced sales in the last quarter by selling about 300 tissue culture raised date palms. The subsidiary companies in Brazil, China, the UAE, the UK and the USA, established over a span of last 20 years, will be strengthened by way of additional HR support, as required. A professional was appointed in the Netherlands for growing a set of new products introduced by the Company.

In 2015-16, **Atul Foundation** (Trust) took up projects in Gujarat, Rajasthan and Tamil Nadu. In times to come, the number of states where Atul will serve the society will only increase. DPD, a subsidiary company based in the UK, also spent 1% of its profit before tax for the local community (though not called for by any guidance or law) keeping in step with the tradition of conducting business with a larger purpose. Atul Bioscience and Rudolf Atul Chemicals also contributed to Atul Foundation for serving the society. During the year, Atul Foundation built and handed over 624 toilets to those families who had no such facility ever.

As our Company grows, it is becoming more diverse, particularly in terms of nationalities – it already has **people** of different origins – American, Brazilian, Chinese, Dutch, English, French and of course Indian – all working for a common purpose. The



Our 'visible' performance will ultimately be in proportion to the 'invisible' in us – the 'soft' or 'subtle' in us will decide the 'hard' or 'gross' we deliver. Our endeavour is therefore to create an environment wherein we all reveal depth in our thinking, synergy in our working and quality in whatever we undertake. The key need and mandate is to identify and develop professionally competent and personally humble people committed to eternal Values so that they can provide exemplary leadership at all levels. We are convinced that without leadership nothing is possible and with it, nothing is impossible.

companies based outside of India have 15 women of the total 34. As the people of Atul, we embrace such diversities and recognise that our success will largely depend upon our ability to work together and without any bias. Atul HR is enhancing processes of i) recruitment, ii) performance management and iii) development for building capability.

My colleagues and I deeply **value** the involvement, critical analysis and encouragement of the distinguished Non-executive Directors – I am privileged to have them on the Board of our Company. I appreciate the efforts of every member of Atul family – we may be growing in numbers, but our Purpose is common and shared. I am grateful to our customers for giving us an opportunity to serve and helping us evolve our vision and articulate growth related strategies. I recognise the positive approach of the communities which surround our production sites in India and the UK. I thank you for your faith; it brings out the best in us.

We, the people of Atul, will make our Company a learning organisation as we 'turn yet another page' of our lives. We will learn from an example of a leaf – we will work efficiently, collectively and silently and with the realisation that Interdependence is a higher order than Independence. On behalf of the team Atul, I will like to assure you that we will work together, summon what is best in us, with our feet planted firmly in today, but our eyes cast towards tomorrow. In this journey into the future, may God give us the courage, strength and wisdom so that we may go as far as our **dreams and toil** will take us.

Sincerely,

(Sunil Siddharth Lalbhai)
Chairman and Managing Director

Operational highlights

It is what we think we already know that often prevents us from learning.

~ Claude Bernard

We are endeavouring improvements in many areas of operations of our Company, particularly related to i) efficiencies, ii) productivity, iii) business processes, iv) time-cycles and v) people development. Our efforts are expected to favourably impact i) environment, ii) profitability, iii) empowerment, iv) growth and v) competence of the team Atul as actions and results are part of the same process though having different time-lines. Though we have a long way to go, we are happy to share some of the several initiatives our Company undertook during 2015-16.



People

- » Commenced structured succession planning
- » Concluded 5 year settlement with the Unions at Atul Complex
- » Improved integrated development plan
- » Initiated training for brand sales team
- » Introduced sales incentive scheme for brand team

Systems

- » Enabled 'iQuote' (open source integrated solution) for vendor bids on mobile platform
- » Enhanced 'mobSales' (open source integrated mobility solution) for capturing sales orders and providing real time sales information
- » Improved 'eLab notebook' (open source solution for recording, retrieving and analysing experiments in R&D departments)
- » Implemented HR processes through 'PeopleSoft' for subsidiary | associate companies based in India
- » Improved integrated utilisation of non-fund based financial limits



Safety



- » Achieved 18.4 mn accident free man hours against previous best of 6 mn
- » Conducted 52 HAZOP studies and mitigated 10 key risks for new projects
- » Conducted 8 on-site mock drills for fire and gas leakage emergencies
- » Conducted 24 pre-start-up Safety, Health and Environment review audits
- » Institutionalised safety observation and audit for improving safety compliance

Health

- » Carried out 5,662 health check-ups
- » Circulated 66 health related articles
- » Conducted 5 health workshops for employees
- » Organised 12 aerobic sessions for women employees and dependents
- » Promoted 7 sports competitions



Environment

- » Achieved zero liquid discharge in the manufacture of a key product
- » Built a 6,500 kL reservoir for rainwater harvesting
- » Commissioned a filter with new energy efficient technology for better filtration of biomass
- » Enhanced green cover substantially at Ankleshwar site
- » Replaced mercury based caustic | chlorine plant with environment-friendly, membrane based plant



Technology and Manufacturing

- » Completed 40 projects
- » Decreased consumption of solvents in 37 products
- » Decreased per-unit consumption of water, electricity and natural gas by 12%, 5% and 3% respectively
- » Increased yield of 32 products and decreased consumption of raw materials in 8 products
- » Recovered 6 useful products from waste





Research and Development

- » Converted 1 process from batch to continuous mode
- » Developed 37 products | formulations
- » Improved processes of 9 products
- » Improved quality of 14 products
- » Supported 33 scale-ups

Sales and Marketing

- » Added 210 customers and 417 distributors
- » Decreased overdue receivables in 1 Sub-segment
- » Implemented 5 new sales processes
- » Increased contribution margins in 2 Sub-segments through selling prices
- » Launched 1 new brand



Growth

- » Debottlenecked capacities in 5 products
- » Decreased time-cycle in 9 products
- » Expanded capacity of 5 products
- » Increased electricity generation capacity by 22 MW
- » Introduced 65 products and 19 formulations

Recognition

Accept defeat with dignity, criticism with poise and honours with humility.

~ William Ward



Shram Ratna Award for controlling heavy leakage of molten DNCB



5th position in Mumbai Marathon 'DHL Corporate Championship'



National Energy Conservation Award 2015 for energy conservation in Chemical industry



FICCI Chemical and Petrochemical Award 2015 for efficiency in water usage in Chemical industry



BSE – CIO of the year 2015 Award in Chemicals and Petrochemicals segment



Make in India 2015 Award



Recognition of Tissue Culture Production facilities by Department of Biotechnology, Ministry of Science and Technology



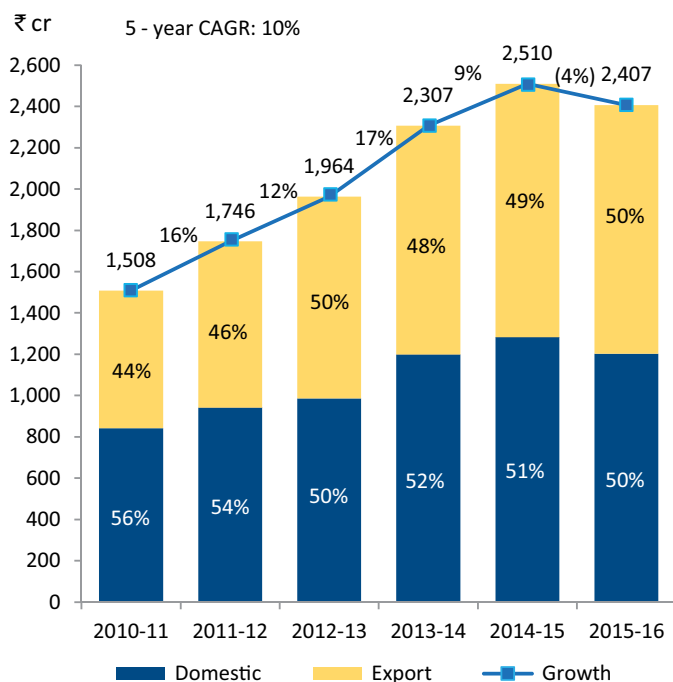
Business World - Yes Bank Best CFO Award 2015-16 for Healthy Balance Sheet Management in the mid-sized companies segment



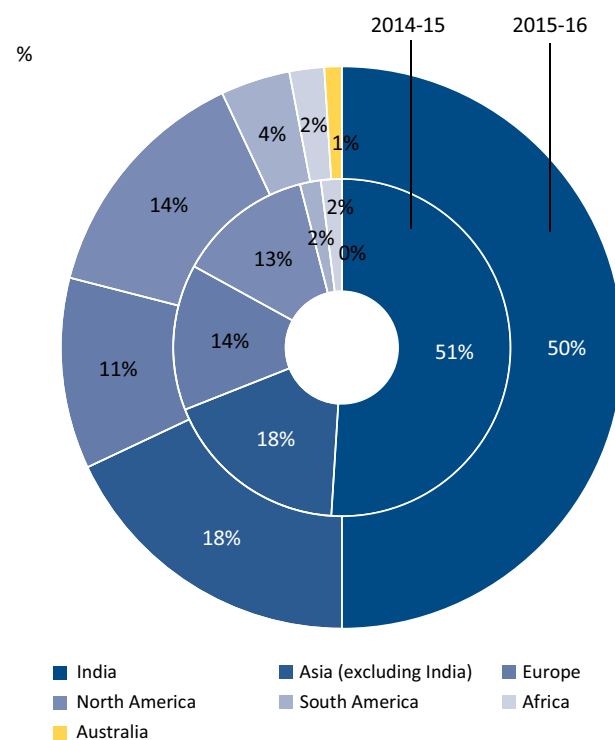
SHRM – CGP All India Top 10 Health and Wellness Ranking Award 2015 – 9th position

Financial charts

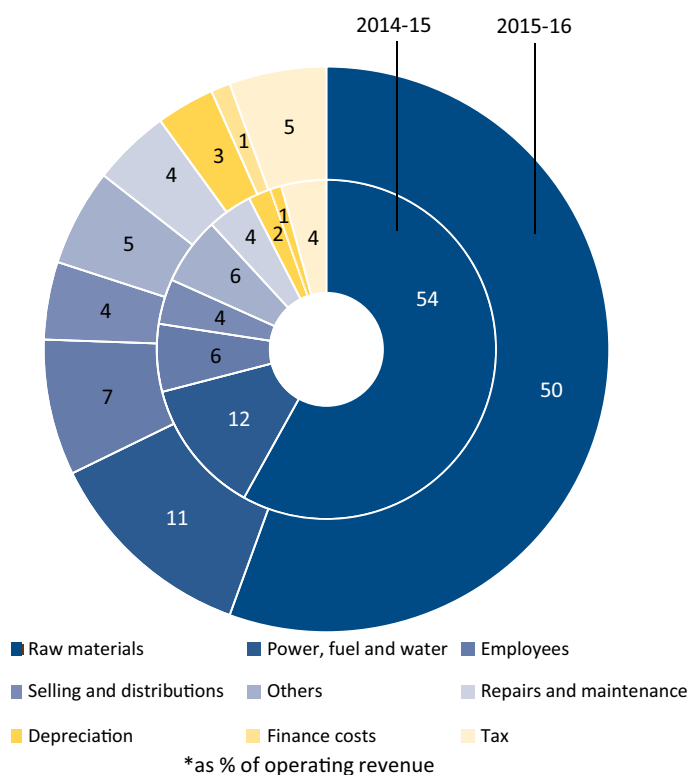
Sales



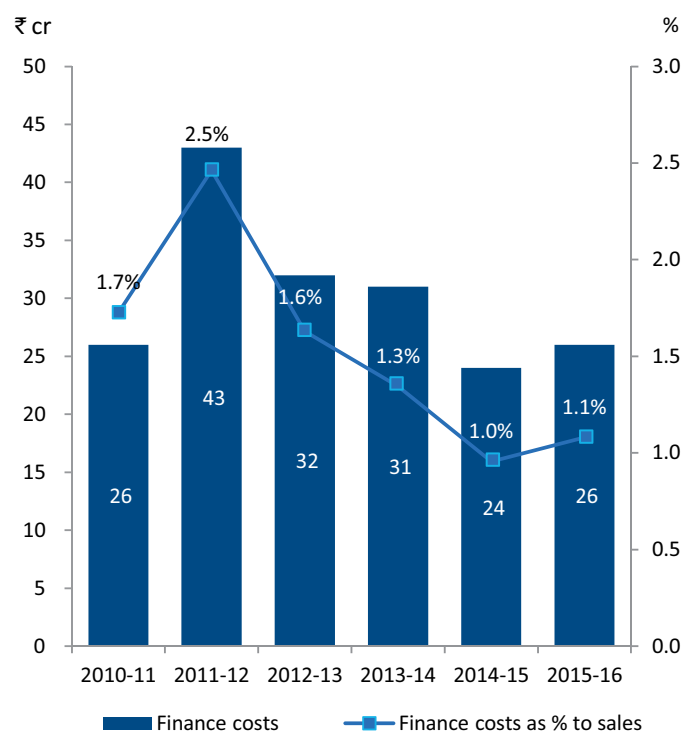
Sales by geography



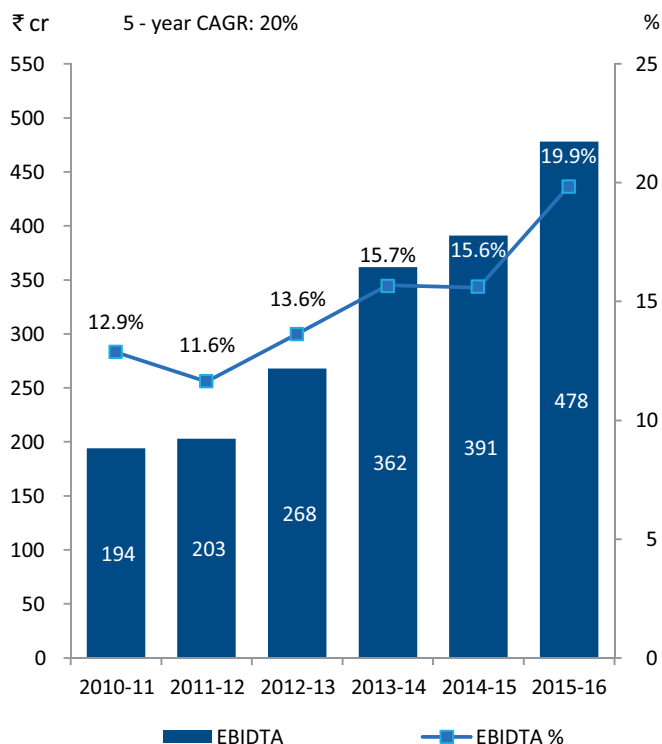
Expenses*



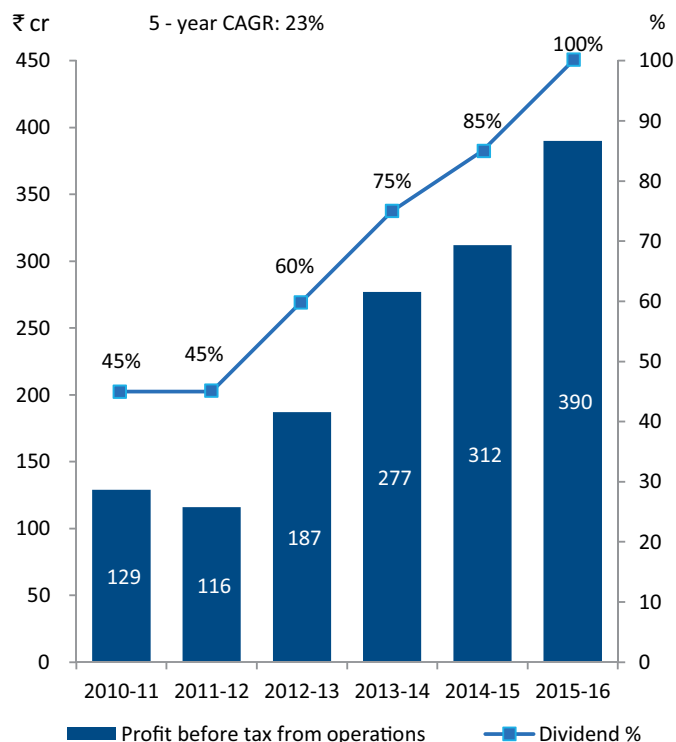
Finance costs



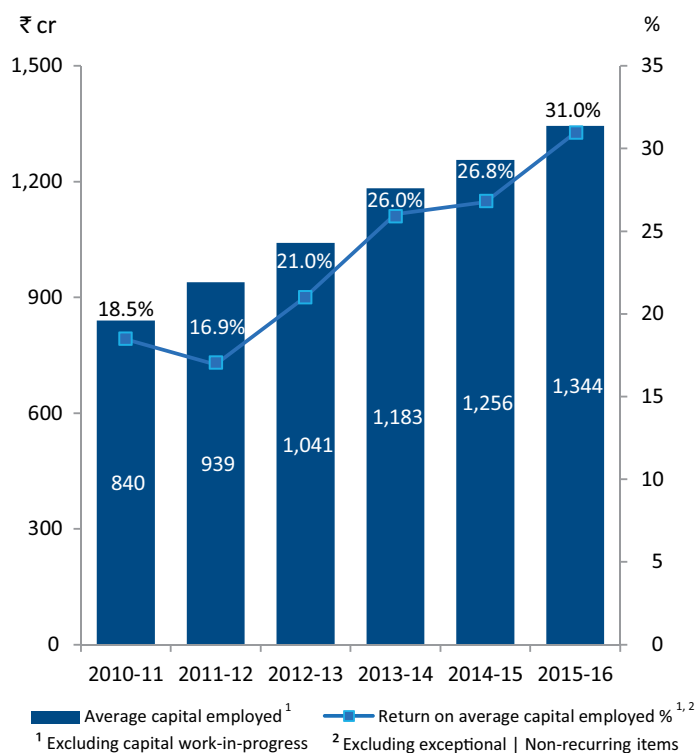
EBIDTA



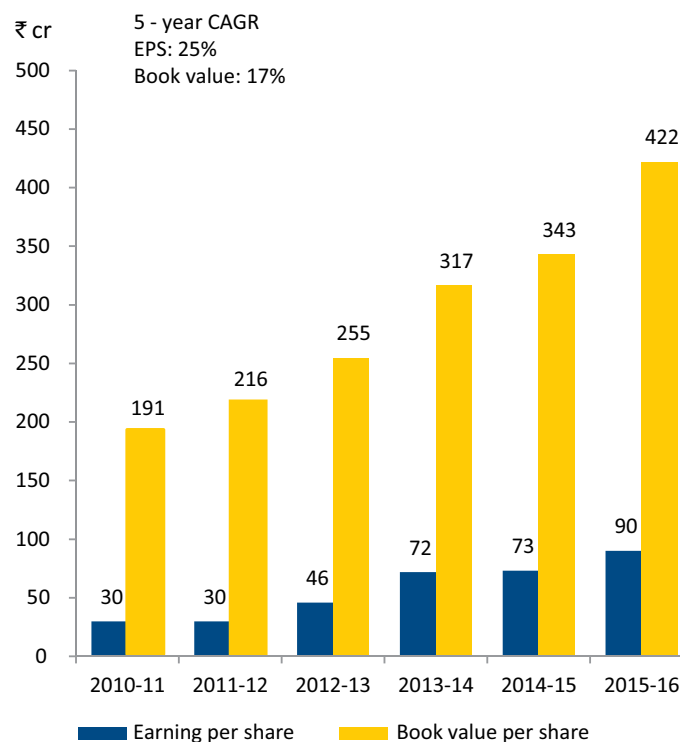
Profit before tax from operations and Dividend



Return on average capital employed

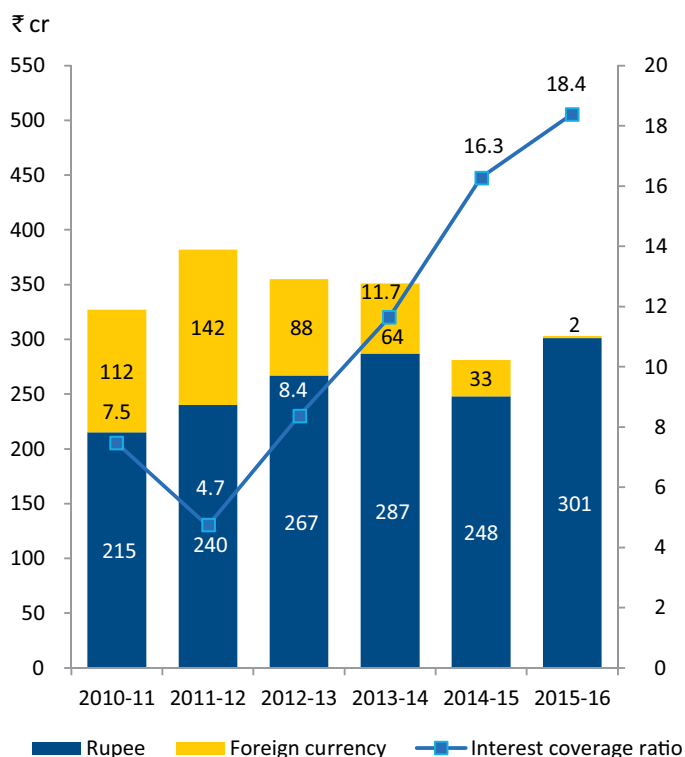


Earning per share and Book value per share

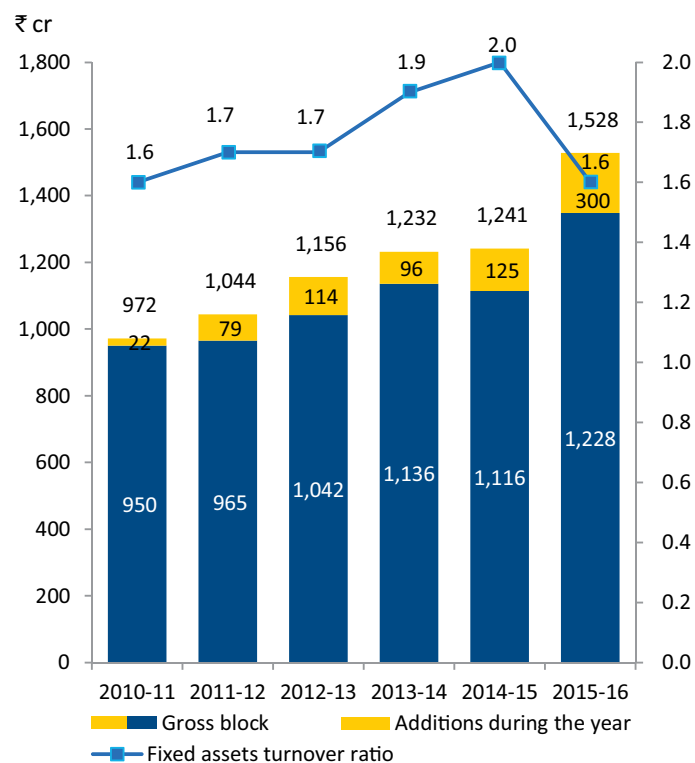


Financial charts

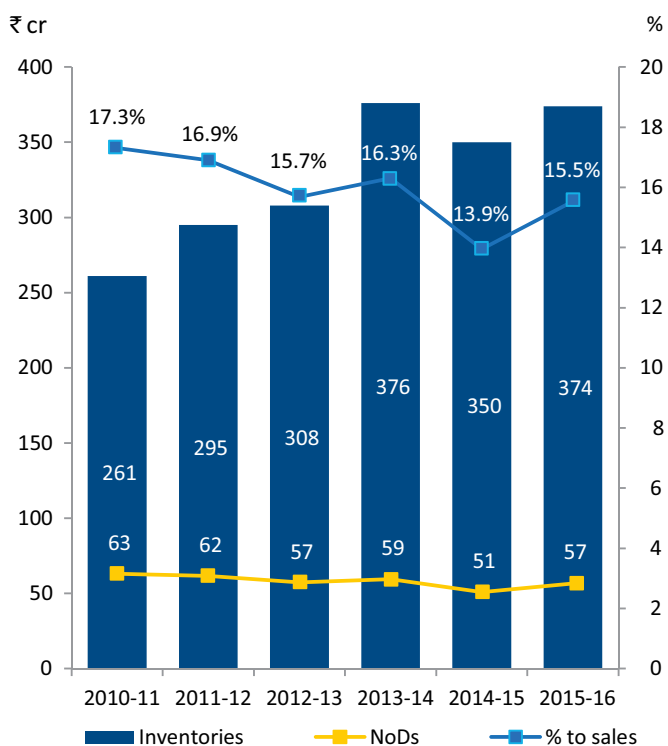
Borrowings



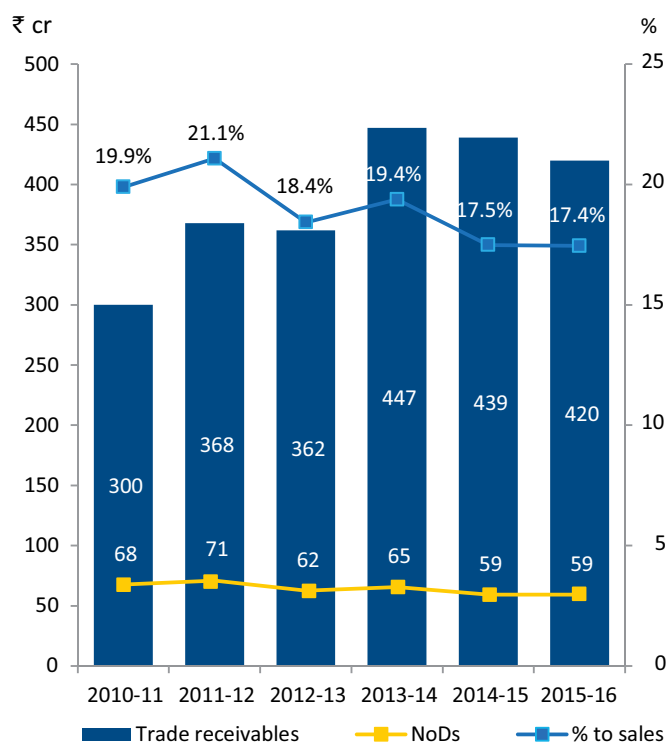
Fixed assets



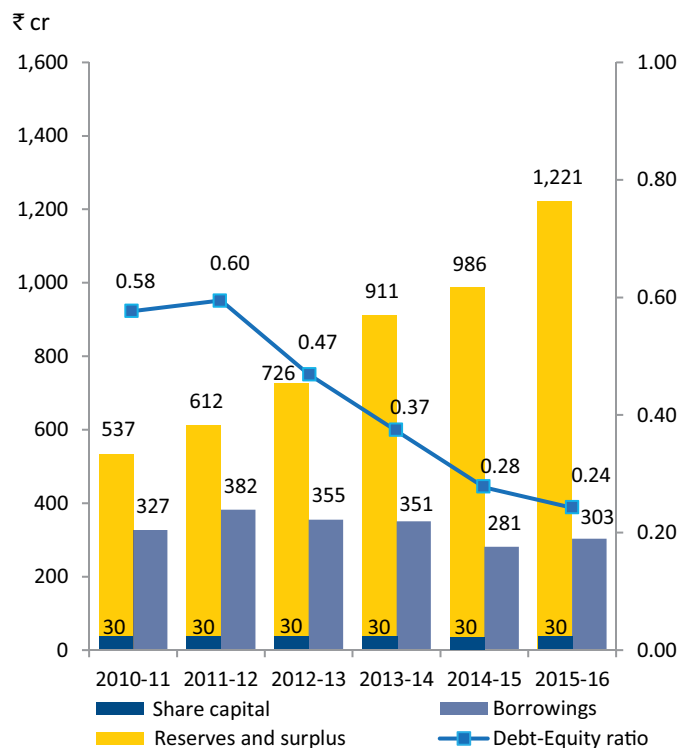
Inventories



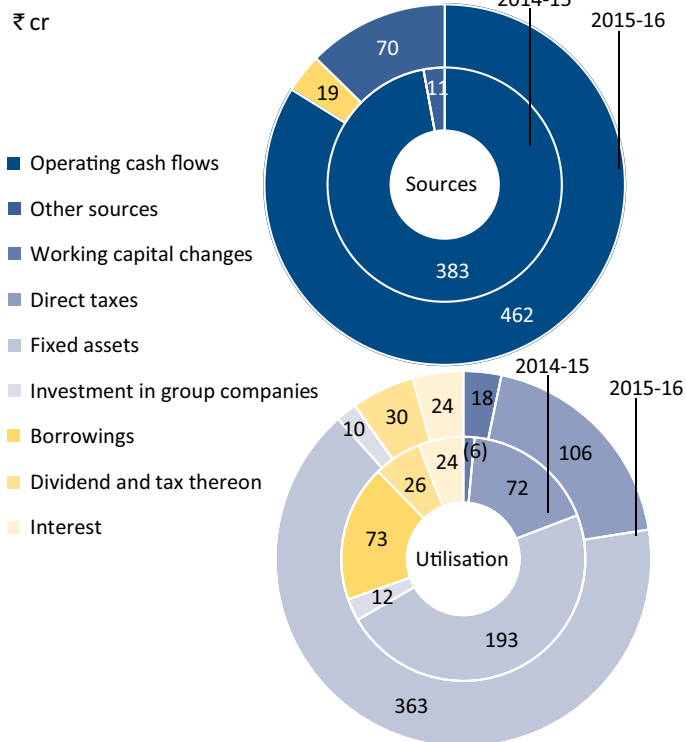
Trade receivables



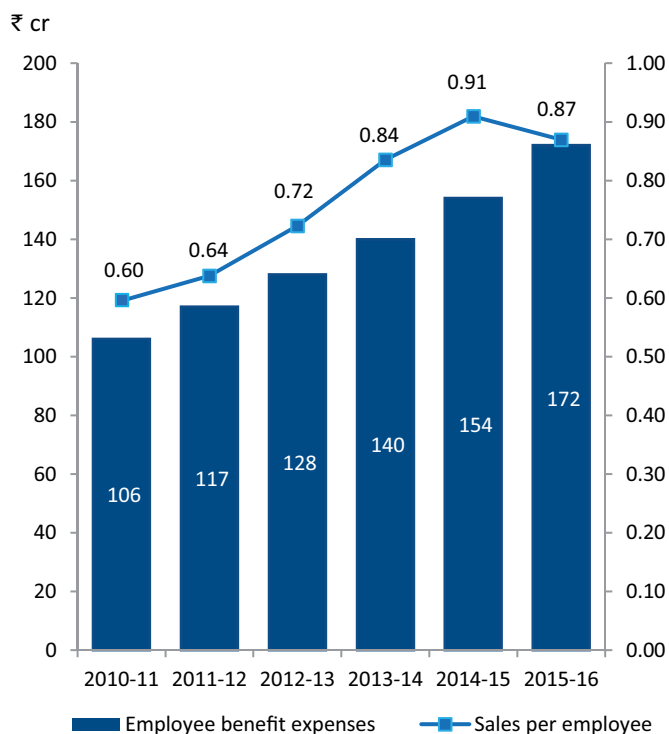
Debt-equity



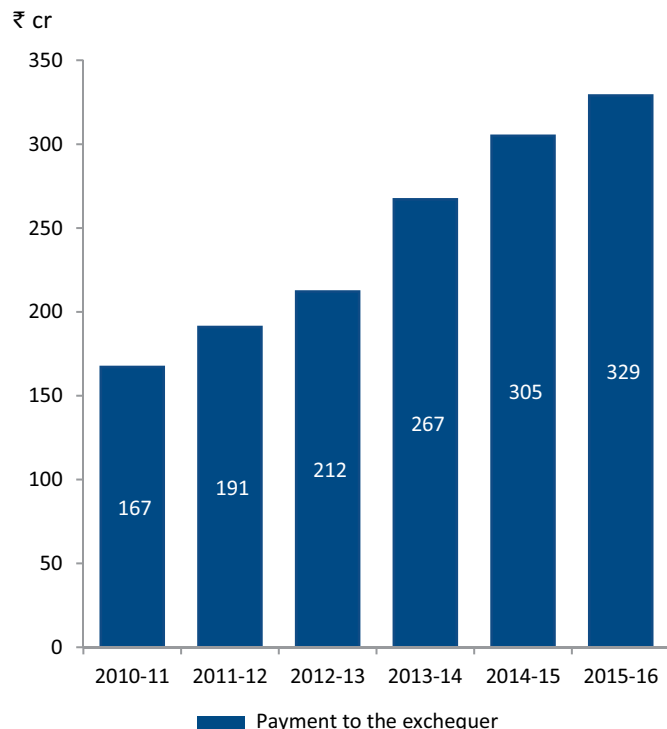
Sources and Utilisation of cash



Employee benefit expenses and Sales per employee



Payment to the exchequer



Serving the society

Happiness comes when our work and words are of benefit to others.

~ Gautam Buddha

The reflective Founder of our Company left a mark of his social intent in every business enterprise he established; we are enriched with such a legacy and are carrying it forward in our own small ways. Here are some of the initiatives taken by Atul Foundation (Trust):



Education

- » Distributed writing materials to students of 23 primary schools in 9 villages
- » Enhanced infrastructure facilities in 3 hostels and 2 schools in 5 villages
- » Established digital classrooms in Kalyani Shala
- » Provided computers to 2 Government aided schools
- » Renovated library of a rural school

Empowerment

- » Commenced activities in the new campus of Atul Institute of Vocational Excellence (AIVE)
- » Introduced hotel management and nursing courses in AIVE
- » Trained 983 tribal students in 7 vocations in AIVE, 83% of whom were placed in surrounding companies
- » Trained 258 students in 7 vocations in Industrial Training Institutes managed by Atul Foundation
- » Trained 131 women in garment and soft toy making and beauty and styling in 5 villages



Health

- » Constructed 624 toilet blocks in 10 villages
- » Organised 13 blood donation camps in 10 villages
- » Organised eye and ENT camps benefitting 4,447 patients in 12 villages; 196 were operated for cataract, 3,337 were provided spectacles and 84 were provided hearing aids
- » Supported a mega medical camp benefitting 2,360 tribal patients
- » Trained 31 women in food and nutrition



Relief

- » Contributed towards flood relief in Chennai
- » Helped 8 poor cancer patients from 8 villages
- » Helped 59 thalassemia patients from 36 villages and 3 cities for blood transfusion
- » Subsidised fertilisers for 53 farmers
- » Supplied 2 lac kL free drinking water to 2 villages

Conservation

- » Constructed gas based crematorium facility
- » Distributed non-woven bags amongst villagers to decrease consumption of plastic bags
- » Installed rainwater recharging facilities in 2 schools in 2 villages
- » Launched 'no plastic' campaign
- » Planted 70,000 trees



Infrastructure

- » Constructed community sheds in 4 villages
- » Established a prayer hall in a village
- » Provided drinking water facility in a community hall
- » Renovated an *anganwadi* in a village
- » Upgraded amenities (community toilet block, gram panchayat office, roads, street lights, etc.) in 2 villages

If you wish to join in this endeavour of uplifting the rural poor, a form giving details about proposed association is given on page number 168.

Board of Directors



Dr S S Bajjal



Mr H S Shah



Mr B N Mohanan



Mr T R Gopi Kannan



Mr R A Shah



Mr B S Mehta



Mr S M Datta



Mr M M Chitale



Mr B R Arora



Mr S S Lalbhai



Mr S A Lalbhai



Mr V S Rangan



Ms S A Panse

Directors' Report

Dear Members,

The Board of Directors (Board) presents the Annual Report of Atul Ltd together with the audited statement of accounts for the year ended March 31, 2016.

01. Financial results

(₹ cr)

	2015-16	2014-15
Sales	2,407	2,510
Revenue from operations	2,459	2,556
Other income	46	15
Total revenue	2,505	2,571
Profit before tax	393	312
Provision for tax	125	95
Profit for the year	268	217
Profit available for appropriation	268	217
Balance brought forward	851	664
Disposable surplus	1,119	881
Appropriations		
Proposed dividend	30	25
Dividend distribution tax (net)	2	5
Balance carried forward	1,087	851

02. Performance

Sales decreased by 4% from ₹ 2,510 cr to ₹ 2,407 cr mainly due to lower prices (7%) partly offset by higher volumes (3%). Sales in India decreased by 6% from ₹ 1,283 cr to ₹ 1,202 cr. Sales outside India decreased by 2% from ₹ 1,227 cr to ₹ 1,205 cr. The Earning per share increased from ₹ 73.30 to ₹ 90.37. While the operating profit before working capital changes increased by 21% from ₹ 383 cr to ₹ 462 cr, the net cash flow from operating activities increased by 18% from ₹ 317 cr to ₹ 374 cr.

Sales of Life Science Chemicals (LSC) Segment increased by 11% from ₹ 676 cr to ₹ 748 cr, mainly because of higher sales in Sub-segment Crop Protection; its EBIT increased by 45% from ₹ 119 cr to ₹ 173 cr. Sales of Performance and Other Chemicals (POC) Segment decreased by 10% from ₹ 1,834 cr to ₹ 1,659 cr mainly because of lower sales in Sub-segment Colors; its EBIT remained stagnant at ₹ 242 cr. More details are given in the Management Discussion and Analysis (MDA) Report.

The borrowings of the Company increased marginally (including current maturities of long-term borrowings) by 8% from ₹ 281 cr to ₹ 303 cr despite payments towards capital expenditure of ₹ 363 cr.

Credit Analysis and Research Ltd (CARE) maintained its credit rating at 'AA+' (double A plus) for long-term borrowings of the Company. Its rating for short-term borrowings and commercial paper remained at 'A1+' (A1 plus), the highest possible awarded by CARE.

The Company completed 5 projects with an investment of ₹ 213 cr which are expected to generate sales of ₹ 530 cr at full capacity utilisation.

03. Dividend

The Board recommends payment of dividend of ₹ 10 per share on 2,96,61,733 Equity shares of ₹ 10 each fully paid up. The dividend will entail an outflow of ₹ 32.14 cr {including dividend distribution tax (net)} on the paid-up Equity share capital of ₹ 29.66 cr.

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

Information required under Section 134 (3) (m) of the Companies Act, 2013, read with Rule 8 (3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms a part of this Report which is given at page number 26.

05. Insurance

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

06. Risk Management

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

- i) Risk identification and definition – Focused on identifying relevant risks, creating | updating clear definitions to ensure undisputed understanding along with details of the underlying root causes | contributing factors.
- ii) Risk classification – Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.
- iii) Risk assessment and prioritisation – Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and existing mitigation controls.
- iv) Risk mitigation – Focused on addressing critical risks to restrict their impact(s) to an acceptable level (within the defined risk appetite). This involves a clear definition of actions, responsibilities and milestones.
- v) Risk reporting and monitoring – Focused on providing to the Board and the Audit Committee periodic information on risk profile evolution and mitigation plans.

Roles and responsibilities

Governance

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

Implementation

Implementation of the Risk Management Policy is the responsibility of the Management. It ensures

functioning of the Risk Management System as per the guidance of the Audit Committee. The Company has Risk Management Oversight Structure in which each Sub-segment has Chief Risk and Compliance Officer.

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

07. Internal Financial Controls

The Internal Financial Controls over financial reporting are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Financial Statements.

These include those policies and procedures that i) pertain to the maintenance of records which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of the Financial Statements in accordance with Generally Accepted Accounting Principles and that receipts and expenditures are being made only in accordance with authorisations of the Management and the Directors of the Company and iii) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of the assets that can have a material effect on the Financial Statements. A reputed international consultancy firm has reviewed the adequacy of the Internal Financial Controls with respect to the Financial Statements.

The Management assessed the effectiveness of the Internal Financial Controls over financial reporting as of March 31, 2016, and the Board believes that the controls are adequate.

08. Fixed deposits

During 2015-16, the Company did not accept any fixed deposits.

09. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security are given at page number 103 and 119.

10. Subsidiary, associate and joint venture companies

Performance and financial position of such companies are given at page number 28.

11. Related Party Transactions

Particulars of contracts or arrangements with related parties are given at page number 111.

12. Corporate Social Responsibility

Composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR Report are given at page number 30.

13. Extract of the Annual Return

This is given at page number 33.

14. Auditors

Dalal & Shah Chartered Accountants LLP, the Statutory Auditors (the Auditors) of the Company, will retire at the conclusion of the ensuing Annual General Meeting (AGM). They have given their consent to continue to act as the Auditors for 2016-17, if reappointed. 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.

The Shareholders ratified the appointment of R Nanabhoy & Co as the Cost Auditors for 2015-16 on August 04, 2015. The Board appointed Mr A C Doshi, Practising Company Secretary, as the Secretarial Auditor for 2015-16 on April 29, 2015, and his report is given at page number 44.

15. 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:

- 15.1 The applicable Accounting Standards were followed along with proper explanations relating to material departures in the preparation of the annual accounts.
- 15.2 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.
- 15.3 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.
- 15.4 The attached annual accounts for the year ended March 31, 2016 were prepared on a going concern basis.
- 15.5 Adequate Internal Financial Controls to be followed by the Company were laid down and the same were adequate and operating effectively.
- 15.6 Proper systems were devised to ensure compliance with the provisions of all applicable laws and the same were adequate and operating effectively.

16. Directors

- 16.1 Appointments | Reappointments | Cessations
 - 16.1.1 Subject to the approval of the Members in the AGM, Mr B N Mohanan was reappointed as a Whole-time Director effective January 01, 2017 for a period of 3 years.
 - 16.1.2 According to Article 86 of the Articles of Association of the Company, Mr B S Mehta and Mr B N Mohanan retire by rotation and being eligible, offer themselves for reappointment at the forthcoming AGM scheduled on July 29, 2016.

16.2 Policies on appointment and remuneration

16.2.1 Appointment

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

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

16.2.2 Remuneration of the Non-executive Directors

- i) Sitting fees: up to ₹ 20,000 for attending a Board, Committee and any other meeting
- ii) Commission: up to 1% of net profit as may be decided by the Board based on the following factors:
 - a. Membership of Committee(s)
 - b. Profit
 - c. Attendance
 - d. Category (Independent or Non-independent)

16.2.3 Remuneration of the Executive Directors

This is given under para number 17.2.

16.3 Criteria and method of annual evaluation

- 16.3.1 The criteria for evaluation of performance of
 - a) the Non-independent Directors (Executive)
 - b) the Non-independent Directors (Non-executive)
 - c) the Independent Directors d) the Chairman
 - e) the Committees of the Board and f) the Board as a whole are summarised in the table at the end of the Directors' Report at page number 24.

16.3.2 The Independent Directors have carried out annual:

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

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

- i) Its Committees namely Audit, Nomination and Remuneration, Stakeholders Relationship, CSR and Investment
 - ii) The Independent Directors
- The templates for the above purpose were circulated in advance for feedback of the Directors. In addition, the Chairman also held discussions with the Directors individually.

16.4 Familiarisation Program for the Independent Directors

The Company has a Familiarisation Program for its Independent Directors. It comprises, amongst others, presentations by and discussions with the

senior Management on the nature of the industries in which it operates, its vision and strategy and its organisation structure. A visit is organised to one or more of its manufacturing sites. Details of the program are also available at http://www.atul.co.in/investors/pdf/familiarisation_programme.pdf.

17. Key Managerial Personnel and other employees

17.1 Appointments and cessations of the Key Managerial Personnel

There were no appointments | cessation of the Key Managerial Personnel during 2015-16.

17.2 Remuneration

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

17.2.1 Components:

- i) Fixed pay
 - a. Basic salary
 - b. Allowances
 - c. Perquisites
 - d. Retirals
- ii) Variable pay

17.2.2 Factors for determining and changing fixed pay

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

17.2.3 Factors for determining and changing variable pay

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

18. Analysis of remuneration

The information required pursuant to Sections 134 (3)(q) and 197 (12) of the Act read with Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, forms part of this Report. However, as per the provisions of Sections 134 and 136 of the Act, the Report and the Accounts are being sent to the Members and others entitled thereto excluding the information on employees' particulars which are available for inspection by the Members at the registered office of the Company during business hours on working days of the Company up to the date of ensuing AGM.

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

19. Management Discussion and Analysis

The Management Discussion and Analysis Report covering performance of the two reporting segments, namely, LSC and POC, is given at page number 49.

20. Corporate Governance

20.1 Statement of declaration given by the Independent Directors

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

20.2 Report

The Corporate Governance Report along with the certificate from the Statutory Auditors regarding compliance of the conditions of Corporate Governance pursuant to Regulation 34 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given at page number 56. Details about the number of meetings of the Board held during 2015-16 are given at page number 59. The composition of the Audit Committee is given at page number 62.

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

20.3 Whistle-blowing Policy

The Board, on the recommendation of the Audit Committee, had approved a vigil mechanism (Whistle-blowing Policy). The policy provides an independent mechanism for reporting and resolving complaints pertaining to unethical behaviour, actual or suspected fraud and violation of the Code of Conduct of the Company and is displayed on the website (of the Company) at http://www.atul.co.in/investors/pdf/Whistle_blowing_Policy.pdf.

No personnel has been denied access to the Audit Committee.

21. Acknowledgements

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

For and on behalf of
the Board of Directors

(Sunil Siddharth Lalbhai)

Chairman and Managing Director

Mumbai
April 29, 2016

Table

Evaluation of	Evaluation by	Criteria
Non-independent Director (Executive)	Independent Directors	Transparency, Leadership (business and people), Governance and Communication
Non-independent Director (Non-executive)	Independent Directors	Preparedness, Participation, Value addition, Governance and Communication
Independent Director	All other Board Members	Preparedness, Participation, Value addition, Governance and Communication
Chairman	Independent Directors	Meeting dynamics, Leadership (business and people), Governance and Communication
Committees	Board Members	Composition, Process and Dynamics
Board as a whole	Independent Directors	Composition, Process and Dynamics

Annexure to the Directors' Report

Index

No.	Subject title	Page
1.	Conservation of energy, technology absorption and foreign exchange earnings and outgo	26
1.1	Conservation of energy	26
1.2	Technology absorption	26
1.3	Foreign exchange earnings and outgo	27
2.	Subsidiary, associate and joint venture companies	28
2.1	Operational companies	28
2.2	Non-operational companies	29
3.	Corporate Social Responsibility	30
3.1	Policy, programs and scope	30
3.2	Committee	30
3.3	Expenditure: determination and actual spent	30
3.4	Manner in which spent	31
3.5	Implementing agencies	32
3.6	Confirmation of compliance	32
4.	Extract of the Annual Return	33
4.1	Registration and other details	33
4.2	Principal business activities of the Company	33
4.3	Particulars of the holding, the subsidiary and the associate companies	33
4.4	Shareholding pattern (Equity share capital breakup as percentage of total Equity)	35
4.5	Indebtedness	42
4.6	Remuneration of the Directors and the Key Managerial Personnel	43
4.7	Penalties Punishment Compounding of offences	44
5.	Secretarial Audit Report	44
6.	Statement of particulars under Section 134(3)(q) and 197(12) of the Companies Act, 2013	47

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

1.1 Conservation of energy

1.1.1 Measures taken

- i) Replacement of mercury based caustic | chlorine plant with environment friendly membrane based plant
- ii) Installation of 2 MW wind turbine
- iii) Installation of turbine and boiler to enhance co-generation of steam and electricity facilities
- iv) Implementation of novel heat pump technology to recover heat from flue gas

1.1.2 Additional investments being made and proposals being implemented

- i) Installation of boiler to enhance co-generation capacity
- ii) Implementation of Pinch technology to enhance encon activities
- iii) Recovery of heat from oleum cooling in sulphuric acid plant

1.1.3 Impact of 1.1.1 and 1.1.2 on conservation of energy and its impact on the finished products

Consumption of energy has been contained significantly thereby reducing cost of goods sold and increasing competitive advantage.

1.2 Technology absorption

1.2.1 Research and Development

- i) Specific areas in which Research and Development (R&D) was carried out by the Company:
The Company focused its R&D efforts on process improvement of its 57 existing products, recovery of products from pollutants and process development of new products and formulations. The R&D departments also helped in trouble-shooting in manufacturing departments.
- ii) Benefits derived from R&D:
The Company was able to increase yields, decrease consumption of other raw materials and solvents, recover products from pollutants and introduce new products and formulations.
- iii) Future plan:
The Company is investing further in people and equipment so as to strengthen its R&D and thereby enhance its capability to face the future.
- iv) R&D expenditure:

(₹ cr)

Capital	Recurring	Total	Total R&D expenditure as a percentage of total sales
1.32	18.16	19.48	0.81

1.2.2 Technology absorption, adaptation and innovation

- i) Efforts, in brief, made towards technology absorption, adaptation and innovation:
The Company upgraded many of its processes and operations imbibing new technology using more efficient equipment and incorporating automation.
- ii) Benefits derived as a result of the above efforts, for example, product improvement, cost reduction, product development, import substitution:
The above efforts have resulted in quality improvement, enhanced yields, higher throughput and reduction in manpower.
- iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year) the following information may be furnished:
The Company did not import any technology.

1.3 Foreign exchange earnings and outgo

1.3.1 Export sales: activities, development initiatives and future plan

The Company sold its products in 68 countries, directly and through its subsidiary companies in the USA, the UK, the UAE, China and Brazil. Sales outside India* decreased by 1% from ₹ 1,163 cr to ₹ 1,148 cr mainly due to lower price realisation as compared to the previous year. The Company is taking further steps to strengthen its international marketing network.

* Free On Board (FOB) value

1.3.2 Total foreign exchange used and earned

	(₹ cr)	
Particulars	2015-16	2014-15
Used for		
Import of raw materials, travel expenses, books and periodicals, payment of dividend, etc	392.69	411.38
Loan repayment	132.58	64.35
Earned from		
Exports – FOB value	1,148.03	1,163.41
Dividend income and others	24.48	–

2. Subsidiary, associate and joint venture companies

2.1 Operational companies

(₹ cr)

No.	Name	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% shareholding	Reporting currency
Subsidiary companies													
1	Atul Bioscience Ltd	10.84	12.24	49.39	26.31	0.01	54.75	8.40	2.81	5.59	0.11	100%	INR
2	Atul Biospace Ltd	3.89	0.48	7.00	2.63	2.15	4.68	0.37	0.13	0.24	–	100%	INR
3	Atul China Ltd	3.49	(1.43)	4.04	1.98	–	29.79	(0.50)	–	(0.50)	–	100%	CNY
4	Atul Europe Ltd	31.27	0.26	31.53	–	8.80	128.49	1.25	0.06	1.19	–	100%	GBP
5	Atul Finserve Ltd	7.85	2.64	10.66	0.17	5.53	0.61	0.54	–	0.54	–	100%	INR
6	Atul Infotech Pvt Ltd	0.07	4.87	7.49	2.55	0.02	2.86	0.26	0.09	0.17	–	100%	INR
7	Atul Middle East FZ LLC	0.54	(0.14)	1.28	0.88	–	1.25	(0.14)	–	(0.14)	–	100%	AED
8	Atul Rajasthan Date Palms Ltd	8.11	12.44	23.85	3.30	–	0.10	0.16	0.10	0.06	–	74%	INR
9	Atul USA Inc	13.27	4.25	38.54	21.02	–	234.30	1.27	0.39	0.88	–	100%	USD
10	DPD Ltd	2.38	13.01	15.39	–	–	14.49	3.32	0.64	2.68	–	98%	GBP
Joint venture company													
1	Rudolf Atul Chemicals Ltd	5.84	14.23	38.98	18.91	–	68.72	13.90	4.81	9.09	8.96	50%	INR
Associate companies													
1	Amal Ltd	17.03	(30.69)	8.85	22.51	0.02	23.14	3.72	–	3.72	–	36.74%	INR
2	Atul Crop Care Ltd	0.05	0.65	1.57	0.87	0.14	6.77	0.52	0.16	0.36	–	26%	INR
3	Lapox Polymers Ltd	0.05	0.56	1.69	1.08	0.12	5.44	0.26	0.09	0.17	–	20%	INR

2.2 Non-operational companies

(₹ cr)

No.	Name	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% shareholding	Reporting currency
Subsidiary companies													
1	Aasthan Dates Ltd	2.10	(0.33)	1.77	-	-	-	(0.26)	-	(0.26)	-	100%	INR
2	Anchor Adhesives Pvt Ltd	0.59	(0.20)	0.39	-	-	-	-	-	-	-	100%	INR
3	Atul Brasil Quimicos Ltda	1.30	(0.18)	1.25	0.13	-	-	0.02	-	0.02	-	100%	BRL
4	Atul Deutschland GmbH	0.75	(0.23)	0.55	0.03	-	-	(0.04)	-	(0.04)	-	100%	Euro
5	Atul Middle East FZ LLC	0.54	(0.14)	1.28	0.88	-	1.25	(0.14)	-	(0.14)	-	100%	AED
6	Raja Dates Ltd	4.10	(0.13)	4.04	0.07	-	0.01	(0.03)	-	(0.03)	-	100%	INR
Associate companies													
1	Atul (Retail) Brands Ltd	0.06	(0.01)	0.05	-	0.04	-	-	-	-	-	43.05%	INR
2	Atul Ayurveda Ltd	0.06	0.02	0.08	-	0.04	-	0.02	-	0.02	-	41.67%	INR
3	Atul Clean Energy Ltd	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	28.47%	INR
4	Atul Elkay Polymer Ltd	0.05	(0.03)	0.16	0.14	-	0.10	(0.01)	-	(0.01)	-	50%	INR
5	Atul Entertainment Ltd	0.06	0.02	0.08	-	0.04	-	0.02	-	0.02	-	41.67%	INR
6	Atul Hospitality Ltd	0.06	0.02	0.08	-	0.02	-	0.02	-	0.02	-	41.67%	INR
7	Atul Aarogya Ltd (Formerly known as Atul Medical Care Ltd)	0.06	0.07	0.13	-	0.05	-	0.07	-	0.07	-	41.67%	INR
8	Atul Seeds Ltd	0.06	-	0.06	-	0.03	-	-	-	-	-	41.67%	INR
9	Jayati Infrastructure Ltd	0.06	-	0.06	-	0.04	-	-	-	-	-	41.67%	INR
10	Osia Dairy Ltd	0.06	-	0.06	-	0.03	-	-	-	-	-	41.67%	INR
11	Osia Infrastructure Ltd	0.06	-	0.06	-	0.04	-	-	-	-	-	40.00%	INR

AED: United Arab Emirates Dirham, BRL: Brazilian Real, CNY: Chinese Yuan, GBP: Great Britain Pound, INR: Indian Rupee, USD: United States Dollar Rate of exchange considered as on March 31, 2016 are 1 AED = ₹ 18.05, 1 BRL = ₹ 18.45, 1 CNY = ₹ 10.28, 1 Euro = ₹ 75.10, 1 GBP = ₹ 95.09, 1 USD = ₹ 66.33

Below 2 companies are under liquidation:

- Subsidiary company: Gujarat Synthwood Ltd
- Associate company: AtRo Ltd

3. Corporate Social Responsibility

3.1 Policy, programs and scope

3.1.1 Policy

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

3.1.2 Programs and scope

Atul Foundation will take up projects and | or carry out activities under 3 broad programs: i) Education and Empowerment, ii) Health and Relief and iii) Conservation and Infrastructure with varied scope of work.

- i) Education and Empowerment
 - a) Establish and | or support schools
 - b) Establish and | or support colleges
 - c) Establish and | or support vocational institutes
 - d) Encourage sports
 - e) Promote integrated development of tribal areas
- ii) Health and Relief
 - a) Enhance rural hygiene and sanitation
 - b) Establish mobile medical care facilities
 - c) Organise medical camps
 - d) Establish medi-care centres
 - e) Assist during natural calamities
- iii) Conservation and Infrastructure
 - a) Protect environment
 - b) Develop and | or maintain rural utilities
 - c) Develop and | or maintain rural amenities
 - d) Restore sites of historical importance
 - e) Promote use of renewable resources

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

http://www.atul.co.in/sustainability/pdf/CSR_Note_%20June_3_Amended_DA.pdf

3.2 Committee

- » Mr H S Shah (Chairman)
- » Mr S S Lalbhai
- » Mr B N Mohanan

3.3 Expenditure: determination and actual spent

		(₹ cr)
Particulars		
Average net profit of the Company of the last 3 financial years		257.09
Prescribed CSR expenditure, at 2% of above		5.14
Total amount spent for the financial year		5.31
Amount unspent by the Company		Nil

3.4 Manner in which spent

(₹ lacs)

No.	Program	Project Activity	Location Village, District (State)	Outlay		Cumulative expenditure upto reporting period	Implementing agency
				Budget	Spent		
(A)	(B)	(C)	(D)	(E)	(F)	(G)	
1	Education	Enhancement of education practices in Kalyani Shala	Atul, Valsad (Gujarat)	50.00	50.00	100.00	AFT Atul Kelavani Mandal
2		Promotion of socio-cultural and extracurricular activities for school children	Atul, Valsad (Gujarat)	100.00	100.00	100.00	AFT ARDF
3		Contribution towards publication of books on Indian philosophy culture ecology	Jaipur (Rajasthan)	5.00	5.00	5.00	AFT Prakrit Bharati Academy
4		Promotion of education in Ashramshalas	Pardi, Valsad (Gujarat)	2.50	2.50	5.75	Shree Vallabh Seva Kendra
5		Implementation of rural education initiatives	15 villages ¹ , Valsad (Gujarat)	13.00	12.85	12.85	AFT ARDF
6		Promotion of education in rural areas	Laxmipura, Sabarkantha (Gujarat)	2.00	2.00	2.00	AFT Shree Gyanmandal Laxmipura
7	Empowerment	Skill development (Atul Institute of Vocational Excellence)	Ozarpada, Valsad (Gujarat)	55.00	55.00	76.28	AFT ARDF
8		Implementation of women empowerment initiatives	5 villages ² , Valsad (Gujarat)	3.50	3.43	3.43	AFT ARDF
9		Enhancement of Computer and English language skills	Atul and Dharampur, Valsad (Gujarat)	5.00	4.99	4.99	AFT ARDF
10	Health	Implementation of rural health initiatives	21 villages ³ , Valsad (Gujarat)	13.50	13.49	13.49	AFT ARDF
11		Improvement of hygiene through construction of toilets	10 villages ⁴ , Valsad (Gujarat)	97.00	97.00	107.00	AFT ARDF
12		Provision of quality health care facilities (Atul Medical Diagnostic Centre)	Atul, Valsad (Gujarat)	131.00	131.00	360.00	ARDF
13	Relief	Provision of immediate relief to victims of floods in Chennai	Chennai (Tamil Nadu)	1.00	1.00	1.00	AFT Y's Men Club of the East
14		Contribution for advanced treatment of cancer patients	Karamsad, Anand (Gujarat)	5.00	5.00	5.00	Charutar Arogya Mandal
15		Contribution for community marriage of underprivileged couples	Valsad (Gujarat)	1.00	1.00	1.00	ARDF Valsad Taluka Patel Samaj Pragati Mandal
16		Provision of blood units to thalassemia patients	Valsad (Gujarat)	7.00	7.00	7.00	AFT Valsad Rakt Dan Kendra
17		Provision of free farm kits and fertilisers at subsidised rates to farmers	Haria, Valsad (Gujarat)	2.25	2.11	2.11	AFT ARDF
18	Infrastructure	Installation of underground drainage line for domestic waste water	Gadkhol, Bharuch (Gujarat)	2.00	2.00	2.00	AFT Gram Panchayat Gadkhol
19		Implementation of rural infrastructure initiatives	Binwada, Haria and Parnera, Valsad (Gujarat)	5.00	5.25	5.25	AFT ARDF
20	Conservation	Afforestation	Atul, Valsad (Gujarat)	4.10	4.85	4.85	Direct
21		Installation of rain water recharging facilities	Haria and Parnera, Valsad (Gujarat)	0.50	0.53	0.53	AFT ARDF
22		'Plastic Free' campaign	Parnera, Valsad (Gujarat)	0.50	0.60	0.60	AFT ARDF
23		Gas based cremation facility	Atul, Valsad (Gujarat)	0.75	0.75	0.75	AFT ARDF
24	Multiple	Various	—	—	—	72.47	Multiple
Total Direct Expenditure				506.60	507.35	893.35	
Administrative overheads (OH)				7.40	23.65	32.65	
Total (Direct Expenditure + OH)				514.00	531.00	926.00	

AFT: Atul Foundation Trust

ARDF: Atul Rural Development Fund

¹ 15 villages covered under rural education initiatives: Atar, Bhagod, Bilipudi, Chanvai, Chichwada, Dived, Dungarwadi, Haria, Magod Dungri, Mama Bhacha, Mani, Meh, Parnera, Savarmal, Umarsadi

² 5 villages covered under women empowerment initiatives: Ambheti, Atul, Binwada, Navera, Parnera

³ 21 villages covered under rural health initiatives: Atgam, Atul, Bahej, Bhambha, Bildha, Binwada, Chanvai, Dixal, Dungri, Hanmatmal, Haria, Mama Bhacha, Mograwadi, Mrugmal, Navera, Panchlai, Parnera, Parnera Pardi, Rabda, Rola Dungri, Umarsadi

⁴ 10 villages covered under sanitation project: Atul, Attaar, Bhagod, Chanvai, Dived, Haria, Magod, Magod Dungri, Meh, Parnera Pardi

3.5 Implementing agencies

3.5.1 Atul Foundation Trust

Established in 2011, AFT is an embodiment of the purpose of Atul towards serving the society. It is the apex Trust for all CSR initiatives undertaken by the Company.

3.5.2 Atul Rural Development Fund

Established in 1978, ARDF plans and implements programs for upliftment of the marginalised sections of the communities.

3.5.3 Atul Kelavani Mandal

Established in 1955, Atul Kelavani Mandal is a Trust that manages Kalyani Shala.

3.5.4 Prakrit Bharati Academy

Established in 1977, Prakrit Bharati Academy is a registered body which publishes books in Prakrit, Sanskrit and other Indian languages.

3.5.5 Shree Vallabh Seva Kendra

Established in 1978, essential focus of Shree Vallabh Seva Kendra has been to establish academic and technical education institutions and also improve tribal education.

3.5.6 Gyan Mandal

Established in 1983, Gyan Mandal works to impart education and provide healthcare facilities to the underprivileged.

3.5.7 Y's Men Club of the East

Established in 2001, Y's Men Club of the East undertakes projects to serve the downtrodden and needy sections of society.

3.5.8 Charutar Arogya Mandal

Established in 1972, Charutar Arogya Mandal is a registered Trust providing healthcare facilities. It oversees the activities of varied medical institutions including a cancer and cardiac centre, and offers comprehensive health care facilities at subsidised | free of cost to the underprivileged.

3.5.9 Valsad Taluka Patel Samaj Pragati Mandal

Established in 1973, Valsad Taluka Patel Samaj Pragati Mandal is a registered Trust which is actively involved in community development initiatives to include education, basic healthcare and employment generation.

3.5.10 Valsad Raktdan Kendra

Established in 1984, Valsad Raktdan Kendra is a non-government organisation which is a pioneer of voluntary blood bank services in South Gujarat.

3.6 Confirmation of compliance

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

Chairman and Managing Director	Chairman CSR Committee
S S Lalbhai	H S Shah

4. Extract of the Annual Return

Form number MGT – 9

Extract of the Annual Return as on March 31, 2016

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

4.1 Registration and other details

- » CIN: L99999GJ1975PLC002859
- » Registration date: December 11, 1975
- » Name of the company: Atul Ltd
- » Category | Sub-category of the company: Company limited by shares
- » Address of the registered office and contact details: Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India, Telephone: (+91 79) 2646 1294 | 2646 3706
- » Whether listed company: Yes, listed on the Bombay Stock Exchange and the National Stock Exchange
- » Name, address and contact details of Registrar and Transfer Agent: Link Intime India Pvt Ltd, 303, Shoppers Plaza V, Opposite Municipal Market, Off C G Road, Navarangpura, Ahmedabad 380009 Gujarat, India, Telephone: (+91 79) 26465179

4.2 Principal business activities of the Company

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

No.	Name and description of main products services	National Industrial Classification code of the product service	% to total revenue of the Company
1	Basic chemicals	201	51%
2	Other chemical products	202	49%

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

No.	Name and address of the Company	Corporate Identification Number	Holding subsidiary associate	% of shares held	Applicable Section
01	Aasthan Dates Ltd Jodhpur 342003, Rajasthan	U01122RJ2010PLC030642	Subsidiary	100%	2(87)(ii)
02	Anchor Adhesives Pvt Ltd Mumbai 400028, Maharashtra	U24100MH1992PTC067870	Subsidiary	100%	2(87)(ii)
03	Atul Bioscience Ltd Atul 396020, Gujarat	U24230GJ1997PLC032369	Subsidiary	100%	2(87)(ii)
04	Atul Biospace Ltd Atul 396020, Gujarat	U01500GJ2005PLC045244	Subsidiary	100%	2(87)(ii)
05	Atul Brasil Quimicos Ltda CEP 01046-010, São Paulo, Brasil		Subsidiary	100%	2(87)(ii)
06	Atul China Ltd Shanghai 200 233, China		Subsidiary	100%	2(87)(ii)
07	Atul Deutschland GmbH Wiesbaden, Germany		Subsidiary	100%	2(87)(ii)
08	Atul Europe Ltd Wilmslow SK9 2TB, UK		Subsidiary	100%	2(87)(ii)
09	Atul Finserv Ltd Mumbai 400028, Maharashtra	U51900MH1947PLC005453	Subsidiary	100%	2(87)(ii)
10	Atul Infotech Pvt Ltd Atul 396020, Gujarat	U72200GJ2000PTC038460	Subsidiary	100%	2(87)(ii)
11	Atul Middle East FZ LLC Dubai, United Arab Emirates		Subsidiary	100%	2(87)(ii)
12	Atul Rajasthan Date Palms Ltd Jodhpur 342009, Rajasthan	U01122RJ2009PLC028415	Subsidiary	74%	2(87)(ii)
13	Atul USA Inc North Carolina 28226, USA		Subsidiary	100%	2(87)(ii)

No.	Name and address of the Company	Corporate Identification Number	Holding subsidiary associate	% of shares held	Applicable Section
14	Biyaban Agri Ltd Jodhpur 342008, Rajasthan	U01122RJ2010PLC030636	Subsidiary	100%	2(87)(ii)
15	DPD Ltd Somerset BA6 8QG, UK		Subsidiary	98%	2(87)(ii)
16	Raja Dates Ltd Jodhpur 342008, Rajasthan	U01122RJ2010PLC030640	Subsidiary	100%	2(87)(ii)
17	Rudolf Atul Chemicals Ltd Atul 396020, Gujarat	U24110GJ2005PLC045564	Associate	50%	2(6)
18	Amal Ltd Mumbai 400028, Maharashtra	L24100MH1974PLC017594	Associate	37%	2(6)
19	Atul Crop Care Ltd Atul 396020, Gujarat	U01403GJ2010PLC061909	Associate	26%	2(6)
20	Lapox Polymers Ltd Atul 396020, Gujarat	U51434GJ2009PLC056053	Associate	20%	2(6)
21	Atul Elkay Polymers Ltd Atul 396020, Gujarat	U24100GJ2011PLC065979	Associate	50%	2(6)
22	Atul (Retail) Brands Ltd Atul 396020, Gujarat	U24233GJ2010PLC059517	Associate	43%	2(6)
23	Atul Clean Energy Ltd Atul 396020, Gujarat	U40106GJ2010PLC059498	Associate	28%	2(6)
24	Atul Ayurveda Ltd Atul 396020, Gujarat	U24233GJ2010PLC062028	Associate	42%	2(6)
25	Atul Hospitality Ltd Atul 396020, Gujarat	U55101GJ2010PLC062000	Associate	42%	2(6)
26	Atul Entertainment Ltd Atul 396020, Gujarat	U92190GJ2010PLC061999	Associate	42%	2(6)
27	Osia Dairy Ltd Atul 396020, Gujarat	U15200GJ2010PLC061906	Associate	42%	2(6)
28	Jayati Infrastructure Ltd Atul 396020, Gujarat	U45200GJ2010PLC062029	Associate	42%	2(6)
29	Atul Aarogya Ltd Atul 396020, Gujarat	U85110GJ2010PLC062180	Associate	42%	2(6)
30	Atul Seeds Ltd Atul 396020, Gujarat	U01122GJ2010PLC062769	Associate	42%	2(6)
31	Osia Infrastructure Ltd Atul 396020, Gujarat	U45200GJ2011PLC064854	Associate	40%	2(6)

UAE: United Arab Emirates | USA: United States of America | UK: United Kingdom

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

4.4.1 Category-wise shareholding

Category code	Category of the Shareholders	Number of shares held at the beginning of the year (as at April 01, 2015)				Number of shares held at the end of the year (as at March 31, 2016)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
A. Shareholding of the promoter and the promoter group										
1	Indian									
a)	Individuals Hindu Undivided Family	-	8,54,316	8,54,316	2.880	-	8,54,316	8,54,316	2.880	-
b)	Central Government State Government(s)	-	-	-	-	-	-	-	-	-
c)	Bodies corporate	-	1,41,89,063	1,41,89,063	47.836	-	1,42,57,786	1,42,57,786	48.068	0.232
d)	Financial institutions Banks	-	-	-	-	-	-	-	-	-
e)	Any other	-	-	-	-	-	-	-	-	-
	Sub total (A)(1)	-	1,50,43,379	1,50,43,379	50.716	-	1,51,12,102	1,51,12,102	50.948	0.232
2	Foreign									
a)	Individuals (Non-resident Individuals Foreign individuals)	-	-	-	-	-	-	-	-	-
b)	Bodies corporate	-	-	-	-	-	-	-	-	-
c)	Institutions	-	-	-	-	-	-	-	-	-
d)	Any other	-	-	-	-	-	-	-	-	-
	Sub total (A)(2)	-	-	-	-	-	-	-	-	-
Total shareholding of the promoter and the promoter group (A)=(A) (1)+(A)(2)										
		-	1,50,43,379	1,50,43,379	50.716	-	1,51,12,102	1,51,12,102	50.948	0.232
B. Public shareholding										
1	Institutions									
a)	Mutual funds UTI Mutual fund	450	32,30,580	32,31,030	10.891	450	35,49,028	35,49,478	11.967	1.076
b)	Financial institutions Banks	16,381	26,448	42,829	0.144	16,016	34,073	50,089	0.169	0.024
c)	Central Government State Government(s)	336	-	336	0.001	336	-	336	0.001	-
d)	Venture capital funds	-	-	-	-	-	-	-	-	-
e)	Insurance companies	-	4,92,060	4,92,060	1.659	-	2,80,572	2,80,572	0.946	(0.713)
f)	Foreign institutional investors	900	19,85,718	19,86,618	6.695	900	16,18,939	16,19,839	5.461	(1.234)
g)	Foreign venture capital investors	-	-	-	-	-	-	-	-	-
h)	Trusts	-	609	609	0.002	-	609	609	0.002	-
	Sub total (B)(1)	18,067	57,35,415	57,53,482	19.392	17,702	54,83,221	55,00,923	18.546	(0.847)

Category code	Category of the Shareholders	Number of shares held at the beginning of the year (as at April 01, 2015)				Number of shares held at the end of the year (as at March 31, 2016)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
2	Non-institutions									
a)	Bodies corporate									
i)	Indian	28,303	12,60,570	12,88,873	4.345	28,255	11,10,708	11,38,963	3.840	(0.505)
ii)	Overseas	-	14,862	14,862	0.050	-	6,40,089	6,40,089	2.518	2.108
b)	Individuals									
i)	Shareholders holding nominal share capital up to ₹ 1 Lac	8,99,290	37,64,821	46,64,111	15.729	8,24,829	35,04,668	43,29,497	14.596	(1.133)
ii)	Shareholders holding nominal share capital in excess of ₹ 1 Lac	10,737	27,25,925	27,36,662	9.226	10,737	27,64,861	27,75,598	9.358	0.131
c)	Non-residents Indians (NRI)									
i)	NRI repatriable	4,008	78,760	82,768	0.279	3,908	77,576	81,484	0.275	(0.004)
ii)	NRI non-repatriable	-	46,550	46,550	0.157	-	44,224	44,224	0.149	(0.008)
iii)	Foreign bodies	-	-	-	-	-	-	-	-	-
iv)	Foreign nationals	-	-	-	-	-	-	-	-	-
v)	Any other	-	31,046	31,046	0.105	-	38,853	38,853	0.131	0.026
	Sub total (B)(2)	9,42,338	79,22,534	88,64,872	29.891	8,67,729	81,80,979	90,48,708	30.506	0.615
	Total public shareholding (B)=(B) (1)+(B)(2)	9,60,405	1,36,57,949	1,46,18,354	49.284	8,85,431	1,36,64,200	1,45,49,631	49.052	(0.232)
	Total (A) + (B)	9,60,405	2,87,01,328	2,96,61,733	100.000	8,85,431	2,87,76,302	2,96,61,733	100.000	0.000
C.	Shares held by custodians and against which depository receipts have been issued									
1	Promoter and promoter group	-	-	-	-	-	-	-	-	-
2	Public	-	-	-	-	-	-	-	-	-
	Sub total (C)	-	-	-	-	-	-	-	-	-
	Grand total (A) + (B) + (C)	9,60,405	2,87,01,328	2,96,61,733	100.000	8,85,431	2,87,76,302	2,96,61,733	100.000	0.000

4.4.2 Shareholding of the promoters

No.	Name of the Shareholder	Shareholding as at April 01, 2015			Shareholding as at March 31, 2016			% 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	Aagam Holdings Pvt Ltd	67,43,345	22.734	–	68,00,496	22.927	–	0.848
02	Aura Securities Pvt Ltd	16,14,045	5.442	49.565	16,14,045	5.442	34.076	–
03	Aeon Investments Pvt Ltd	10,39,383	3.504	–	10,39,383	3.504	–	–
04	Aeon Investments Pvt Ltd	7,25,000	2.444	–	7,25,000	2.444	–	–
05	Arvind Ltd	6,48,641	2.187	–	6,48,641	2.187	–	–
06	Aayojan Resources Pvt Ltd	5,93,000	1.999	–	5,93,000	1.999	–	–
07	Shalva Investments Pvt Ltd	5,00,000	1.686	–	5,00,000	1.686	–	–
08	Akshita Holdings Pvt Ltd	4,54,784	1.533	–	4,56,784	1.540	–	0.440
09	Adhinami Investments Pvt Ltd	4,44,755	1.499	–	4,47,755	1.510	–	0.675
10	Arvind Brands Ltd	4,30,000	1.450	100.000	4,30,000	1.450	100.000	–
11	Adhigam Investments Pvt Ltd	4,29,720	1.449	–	4,32,757	1.459	–	0.707
12	Anusandhan Investments Ltd	2,29,565	0.774	–	2,33,000	0.786	–	1.496
13	Samveg Arvind Lalbhai	2,02,377	0.682	–	2,02,377	0.682	–	–
14	Ashini Investments Pvt Ltd	2,00,000	0.674	–	2,00,000	0.674	–	–
15	Asman Investments Ltd	1,25,000	0.421	–	1,25,000	0.421	–	–
16	Hansa Niranjan Lalbhai	91,375	0.308	–	91,375	0.308	–	–
17	Saumya Samveg Lalbhai	82,695	0.279	–	82,695	0.279	–	–
18	Samveg Arvind	62,450	0.211	–	1,14,943	0.388	–	84.056
19	Swati S Lalbhai	59,593	0.201	–	59,593	0.201	–	–
20	Arvind Narottam Sheth	52,493	0.177	–	–	–	–	(100.000)
21	Taral S Lalbhai	50,022	0.169	–	50,022	0.169	–	–
22	Anamika Samveg Lalbhai	47,199	0.159	–	47,199	0.159	–	–
23	Sunil Siddharth Lalbhai	43,193	0.146	–	43,193	0.146	–	–
24	Sunil Siddharth	31,544	0.106	–	31,544	0.106	–	–
25	Sanjay Shrenik Lalbhai	31,210	0.105	–	31,210	0.105	–	–
26	Vimla S Lalbhai	28,318	0.095	–	28,318	0.095	–	–
27	Vimla S Lalbhai	21,661	0.073	–	21,661	0.073	–	–
28	Astha Lalbhai	16,800	0.057	–	16,800	0.057	–	–
29	Anshuman Holdings Pvt Ltd	11,825	0.040	–	11,825	0.040	–	–
30	Sanjay Shrenik Lalbhai	8,641	0.029	–	8,641	0.029	–	–
31	Hansa Niranjan	5,437	0.018	–	5,437	0.018	–	–
32	Vimla Siddharth	4,612	0.016	–	4,612	0.016	–	–
33	Nishtha Sunil Lalbhai	4,000	0.013	–	4,000	0.013	–	–
34	Samveg Arvind Lalbhai	3,653	0.012	–	3,653	0.012	–	–
35	Sanjay Shrenik Lalbhai	2,000	0.007	–	2,000	0.007	–	–
36	Sanjay Shrenik Lalbhai	1,349	0.005	–	1,349	0.005	–	–
37	Rajiv Chinu Lalbhai	1,169	0.004	–	1,169	0.004	–	–

No.	Name of the Shareholder	Shareholding as at April 01, 2015			Shareholding as at March 31, 2016			% 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	
38	Hansa Niranjana	562	0.002	–	562	0.002	–	–
39	Sanjay Shrenik Lalbhai	500	0.002	–	500	0.002	–	–
40	Sheth Narottam Lalbhai	495	0.002	–	495	0.002	–	–
41	Sanjay Shrenik Lalbhai	412	0.001	–	412	0.001	–	–
42	Sanjay Shrenik Lalbhai	100	–	–	100	–	–	–
43	Lalbhai Shrenik Kasturbhai	100	–	–	100	–	–	–
44	Jayshree Sanjay Lalbhai	100	–	–	100	–	–	–
45	Punit Sanjay	100	–	–	100	–	–	–
46	Kulin Sanjay	100	–	–	100	–	–	–
47	Rajiv Chinu Lalbhai	56	–	–	56	–	–	–
48	Arvind J & M Ltd	–	–	–	100	–	–	100.000
Total		1,50,43,379	50.716	60.175	1,51,12,002	50.948	47.944	0.457

4.4.3 Change in the promoters' shareholding

No.	Particulars	Reason of change	Shareholding as at April 01, 2015		Cumulative shareholding during 2015-16	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
A.	Individuals					
	At the beginning of the year		8,54,316	2.880	8,54,316	2.880
	Increase Decrease during the year					
	At the end of the year	No change	8,54,316	2.880	8,54,316	2.880
B.	Companies					
	At the beginning of the year		1,41,89,063	47.836	1,41,89,063	47.836
	Increase Decrease during the year					
1	April 2015	Purchase	15,609	0.053	1,42,04,672	47.889
2	September 2015	Purchase	19,391	0.065	1,42,24,063	47.954
3	February 2016	Purchase	18,174	0.061	1,42,42,237	48.016
4	March 2016	Purchase	15,549	0.052	1,42,57,786	48.068
	At the end of the year		1,42,57,786	48.068	1,42,57,786	48.068

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

No.	Name of the Shareholder	Reason of change	Shareholding as at April 01, 2015		Cumulative shareholding during 2015-16	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01	Saif Advisors Mauritius Ltd A/c Saif India IV FII Holdings Ltd					
	At the beginning of the year		8,06,493	2.179	8,06,493	2.179
	Increase Decrease during the year					
	At the end of the year		8,06,493	2.179	8,06,493	2.179

No.	Name of the Shareholder	Reason of change	Shareholding as at April 01, 2015		Cumulative shareholding during 2015-16	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
02	The New India Assurance Company Ltd					
	At the beginning of the year		4,91,640	1.657	4,91,640	1.657
	Increase Decrease during the year					
1	June 2015	Sale	(31,035)	(0.105)	4,60,605	1.553
2	July 2015	Sale	(35,467)	(0.120)	4,25,138	1.433
3	August 2015	Sale	(23,498)	(0.079)	4,01,640	1.354
4	September 2015	Sale	(10,000)	(0.034)	3,91,640	1.320
5	October 2015	Sale	(77,391)	(0.261)	3,14,249	1.059
6	November 2015	Sale	(19,864)	(0.067)	2,94,385	0.992
7	December 2015	Sale	(5,319)	(0.018)	2,89,066	0.975
8	January 2016	Sale	(8,914)	(0.030)	2,80,152	0.944
	At the end of the year		2,80,152	0.944	2,80,152	0.944
03	Reliance Capital Trustee Co Ltd - A/c Reliance Mid and Small Cap Fund					
	At the beginning of the year		4,59,175	1.548	4,59,175	1.548
	Increase Decrease during the year					
1	April 2015	Purchase	25,000	0.084	4,84,175	1.632
2	July 2015	Sale	(40,000)	(0.135)	4,44,175	1.497
3	December 2015	Sale	(54,100)	(0.182)	3,90,075	1.315
4	March 2016	Sale	(11,416)	(0.038)	3,78,659	1.277
	At the end of the year		3,78,659	1.277	3,78,659	1.277
04	Reliance Capital Trustee Co Ltd - A/c Reliance Small Cap Fund					
	At the beginning of the year		3,81,312	1.286	3,81,312	1.286
	Increase Decrease during the year					
1	April 2015	Purchase	10,000	0.034	3,91,312	1.319
2	July 2015	Sale	(64,833)	(0.219)	3,26,479	1.101
3	March 2016	Sale	(26,101)	(0.088)	3,00,378	1.013
	At the end of the year		3,00,378	1.013	3,00,378	1.013
05	Government Pension Fund Global					
	At the beginning of the year		3,51,036	1.183	3,51,036	1.183
	Increase Decrease during the year					
1	April 2015	Purchase	41,000	0.138	3,92,036	1.322
2	May 2015	Sale	(9,434)	(0.032)	3,82,602	1.290
3	June 2015	Purchase	601	0.002	3,83,203	1.292
4	August 2015	Sale	(63,456)	(0.214)	3,19,747	1.078
5	January 2016	Sale	(7,000)	(0.024)	3,12,747	1.054
	At the end of the year		3,12,747	1.054	3,12,747	1.054

No.	Name of the Shareholder	Reason of change	Shareholding as at April 01, 2015		Cumulative shareholding during 2015-16	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
06	DSP Blackrock Micro Cap Fund					
	At the beginning of the year		3,34,410	1.127	3,34,410	1.127
	Increase Decrease during the year					
1	July 2015	Purchase	57,946	0.195	3,92,356	1.323
2	August 2015	Purchase	33,346	0.112	4,25,702	1.435
3	September 2015	Purchase	4,005	0.014	4,29,707	1.449
4	January 2016	Purchase	8,148	0.027	4,37,855	1.476
	At the end of the year		4,37,855	1.476	4,37,855	1.476
07	Franklin India Smaller Companies Fund					
	At the beginning of the year		3,06,993	1.035	3,06,993	1.035
	Increase Decrease during the year					
1	May 2015	Purchase	27,000	0.091	3,33,993	1.126
2	July 2015	Purchase	50,000	0.169	3,83,993	1.295
3	August 2015	Sale	(2,214)	(0.007)	3,81,779	1.287
4	September 2015	Sale	(10,000)	(0.034)	3,71,779	1.253
5	October 2015	Sale	(20,000)	(0.067)	3,51,779	1.186
6	February 2016	Purchase	2,841	0.010	3,54,620	1.196
	At the end of the year		3,54,620	1.196	3,54,620	1.196
08	Tejas B. Trivedi					
	At the beginning of the year		2,85,282	0.962	2,85,282	0.962
	Increase Decrease during the year					
1	July 2015	Purchase	43,862	0.148	3,29,144	1.110
2	August 2015	Purchase	26,000	0.088	3,55,144	1.197
3	September 2015	Sale	(3,55,144)	(1.197)	–	–
	At the end of the year		–	–	–	–
09	Minaxi Bhalchandra Trivedi					
	At the beginning of the year		2,85,000	0.961	2,85,000	0.961
	Increase Decrease during the year					
1	June 2015	Purchase	75,000	0.253	3,60,000	1.214
	At the end of the year		3,60,000	1.214	3,60,000	1.214
10	DSP Blackrock Equity Fund					
	At the beginning of the year		2,75,774	0.930	2,75,774	0.930
	Increase Decrease during the year					
1	April 2015	Purchase	42,699	0.144	3,18,473	1.074
2	May 2015	Sale	(6,566)	(0.022)	3,11,907	1.052
3	August 2015	Sale	(3,510)	(0.012)	3,08,397	1.040
4	October 2015	Purchase	2,017	0.007	3,10,414	1.047
5	January 2016	Purchase	11,290	0.038	3,21,704	1.085
	At the end of the year		3,21,704	1.085	3,21,704	1.085

4.4.5 Shareholding of the Directors and the Key Managerial Personnel

No.	Particulars	Reason of change	Shareholding as at April 01, 2015		Cumulative shareholding during 2015-16	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01	R A Shah					
	At the beginning of the year		1,960	0.007	1,960	0.007
	Increase Decrease during the year					
	1 February 2016		13,000	0.044	14,960	0.050
	At the end of the year	Purchase	14,960	0.050	14,960	0.050
02	S S Bajjal					
	At the beginning of the year		6,000	0.020	6,000	0.020
	Increase Decrease during the year					
	At the end of the year	No change	6,000	0.020	6,000	0.020
03	S S Lalbhai					
	At the beginning of the year		43,193	0.146	43,193	0.146
	Increase Decrease during the year					
	At the end of the year	No change	43,193	0.146	43,193	0.146
04	B S Mehta					
	At the beginning of the year		162	0.001	162	0.001
	Increase Decrease during the year					
	At the end of the year	No change	162	0.001	162	0.001
05	H S Shah					
	At the beginning of the year		1,290	0.004	1,290	0.004
	Increase Decrease during the year					
	At the end of the year	No change	1,290	0.004	1,290	0.004
06	S A Lalbhai					
	At the beginning of the year		2,02,377	0.682	2,02,377	0.682
	Increase Decrease during the year					
	At the end of the year	No change	2,02,377	0.682	2,02,377	0.682
07	S M Datta					
	At the beginning of the year		10,000	0.034	10,000	0.034
	Increase Decrease during the year					
	At the end of the year	No change	10,000	0.034	10,000	0.034
08	B N Mohanan					
	At the beginning of the year		5,800	0.020	5,800	0.020
	Increase Decrease during the year					
	At the end of the year	No change	5,800	0.020	5,800	0.020
09	V S Rangan					
	At the beginning of the year		2,000	0.007	2,000	0.007
	Increase Decrease during the year					
	At the end of the year	No change	2,000	0.007	2,000	0.007
10	M M Chitale					
	At the beginning of the year		—	—	—	—
	Increase Decrease during the year					
	1 June 2015		50	—	50	—
	At the end of the year	Purchase	50	—	50	—
11	T R Gopi Kannan					
	At the beginning of the year		—	—	—	—
	Increase Decrease during the year					
	1 June 2015		50	—	50	—
	At the end of the year	Purchase	50	—	50	—

No.	Particulars	Reason of change	Shareholding as at April 01, 2015		Cumulative shareholding during 2015-16	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
12	S A Panse					
	At the beginning of the year		–	–	–	–
	Increase Decrease during the year					
1	June 2015		50	–	50	–
	At the end of the year	Purchase	50	–	50	–
13	B R Arora					
	At the beginning of the year		–	–	–	–
	Increase Decrease during the year					
1	June 2015		100	–	100	–
	At the end of the year	Purchase	100	–	100	–
14	L P Patni					
	At the beginning of the year		–	–	–	–
	Increase Decrease during the year					
	At the end of the year	No change	–	–	–	–

4.5 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	168.26	112.67	–	280.93
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	0.65	0.01	–	0.66
Total i) + ii) + iii)	168.91	112.68	–	281.59
Change in indebtedness during the financial year				
Addition	–	57.81	–	57.81
Reduction	35.52	–	–	35.52
Net change	35.52	57.81	–	22.29
Indebtedness at the end of the financial year				
i) Principal amount	132.97	170.49	–	303.46
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	0.42	–	–	0.42
Total i) + ii) + iii)	133.39	170.49	–	303.88

Note: As on March 31, 2016, 2 Deposits of ₹ 0.005 cr from each of the Directors, Mr B S Mehta and Mr R A Shah were lying with the Company.

4.6 Remuneration of the Directors and the Key Managerial Personnel

4.6.1 Remuneration to the Managing Director, the Whole-time Directors and | or the Manager

(₹)

No.	Particulars	S S Lalbhai	S A Lalbhai	B N Mohanan	T R Gopi Kannan	Total amount
1	Gross salary					
	Salary as per provisions under Section 17(1) of the Income-tax Act, 1961	2,09,77,256	80,98,634	97,80,656	1,40,99,945	5,29,56,491
	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	33,61,744	6,05,361	6,91,451	39,600	46,98,156
	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	—	—	—	—	—
2	Stock option	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—
4	Commission for 2015-16	4,12,50,000 ¹	1,18,76,580 ²	—	—	5,31,26,580
5	Others	—	—	—	—	—
6	Total A	6,55,89,000	2,05,80,575	1,04,72,107	1,41,39,545	11,07,81,227
7	Overall ceiling as per the Act					41,25,00,000

¹ 1% of profit (₹ 4,12,50,000/-) or 60 months basic salary (₹ 6,07,50,000/-) whichever is lower | ² 0.50% of profit (₹ 2,06,25,000/-) or 30 months basic salary (₹ 1,18,76,580/-) whichever is lower.

4.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	R A Shah	S S Bajjal	B S Mehta	H S Shah	S M Datta	V S Rangan	M M Chitale	S A Panse	B R Arora	Total amount
1	Non-executive Independent Directors										
	a) Fee for attending the Board the Committee meetings	—	2,20,000	—	1,65,000	1,40,000	2,00,000	80,000	80,000	1,20,000	10,05,000
	b) Commission	—	13,60,000	—	10,40,000	9,60,000	11,20,000	4,80,000	8,00,000	8,00,000	65,60,000
	Total 1	—	15,80,000	—	12,05,000	11,00,000	13,20,000	5,60,000	8,80,000	9,20,000	75,65,000
2	Non-executive Non-independent Directors										
	a) Fee for attending the Board, Committee and other meetings	1,20,000	—	2,00,000	—	—	—	—	—	—	3,20,000
	b) Commission	7,80,000	—	9,60,000	—	—	—	—	—	—	17,40,000
	Total 2	9,00,000	—	11,60,000	—	—	—	—	—	—	20,60,000
	Total B = (1 + 2)	9,00,000	15,80,000	11,60,000	12,05,000	11,00,000	13,20,000	5,60,000	8,80,000	9,20,000	96,25,000
	Total managerial remuneration (A+B)										12,04,06,227
	Overall ceiling as per the Act										45,37,50,000

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

(₹)

No.	Particulars	Key Managerial Personnel			
		CEO	CS	CFO*	Total
		S S Lalbhai	L P Patni	T R Gopi Kannan	
1	Gross salary				
	Salary as per provisions contained under Section 17(1) of the Income-tax Act, 1961	NA	43,92,021	1,40,99,945	1,84,91,966
	Value of perquisites under Section 17(2) of the Income-tax Act, 1961	NA	4,82,384	39,600	5,21,984
	Profits in lieu of salary under Section 17(3) of the Income-tax Act, 1961	NA	—	—	—
2	Stock option	NA	—	—	—
3	Sweat Equity	NA	—	—	—
4	Commission	NA	—	—	—
5	Others	NA	—	—	—
	Total	NA	48,74,405	1,41,39,545	1,90,13,950

* Mr T R Gopi Kannan is paid remuneration as Whole-time Director and CFO

NA: Not Applicable

4.7 Penalties | Punishment | Compounding of offences

There were no penalties | punishment | compounding of offences for the year ending March 31, 2016.

5. Secretarial Audit Report

Form number MR – 3 Secretarial Audit Report

For the financial year ended on March 31, 2016

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

The Members
Atul Ltd
Atul House
G I Patel Marg
Ahmedabad 380014, Gujarat
India

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

Based on my verification of the books, papers, Minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, Minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended on March 31, 2016 according to the provisions of:

- The Companies Act, 2013 (Act) and the rules made thereunder;
- The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
- The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
- Foreign Exchange Management Act, 1999 and the Rules and regulations made thereunder to the extent of foreign direct investment, overseas direct investment and external commercial borrowings;

- v. The following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (SEBI Act):
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992
 - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014
 - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
 - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client
 - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
 - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
- vi. Other sector specific laws as applicable to the Company including product laws, pollution laws, manufacturing laws and safety laws.

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

I have also examined compliance with the applicable Clauses of the following:

- i. Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii. The Listing Agreements entered into by the Company with the BSE Ltd and the National Stock Exchange of India Ltd and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

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

Adequate notice is given to all the Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least 7 days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through the views of the dissenting Members are captured and recorded as part of the Minutes, wherever required.

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

I further report that during the audit period there were no specific events | actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, Rules, regulations, guidelines, standards, etc. referred to above more specifically related to:

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

Ahmedabad
April 29, 2016

Name of Practising CS: A C Doshi
FCS Number: F3544

Atul Ltd

Annexure I – List of documents verified

01. Memorandum and Articles of Association of the Company.
02. Annual Report for the previous financial year ended March 31, 2015.
03. Minutes of the meetings of the Board of Directors, Audit Committee, Nomination and Remuneration Committee, Share Transfer Committee, Stakeholders Relationship Committee and CSR Committee along with attendance register held during the period under report.
04. Minutes of General Body meetings held during the period under report.
05. Statutory registers | records under the Companies Act, 2013 and Rules made there under namely:
 - » Register of the Directors and the Key Managerial Personnel
 - » Register of the Directors' shareholding
 - » Register of loans, guarantees and security and acquisition made by the Company
 - » Register of Renewed and Duplicate Share Certificate
 - » Register of Members
 - » Periodical BENPOS, registers of DEMAT | REMAT and records made available from registrar and transfer agents.
06. Agenda papers submitted to all the Directors | Members for the Board meetings and Committee meetings.
07. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
08. Intimations received from the Directors under the Prohibition of Insider Trading and SEBI Takeover Code.
09. e-Forms filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 and attachments thereof during the period under report.
10. Intimations | Documents | Reports | Returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
11. Filings made with the Reserve Bank of India under the foreign direct investment guidelines and for overseas direct investments made by the Company.
12. Documents related to payments of dividend made to its Shareholders during the period under report.
13. Communications | Letters issued to and acknowledgements received from the Independent Directors for their appointment.
14. Various policies framed by the Company from time to time as required under the Companies Act, 2013 as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
 - » Corporate Social Responsibility Policy
 - » Whistle-blowing Policy
 - » Policy framed under the Sexual Harassment of women at the work place (Prevention, Prohibition and Redressal) Act, 2013
 - » Related Party Transactions Policy
 - » Material Subsidiary Companies Policy
 - » Risk Management Policy
 - » Code of Conduct for the Directors | the Key Managerial Personnel
 - » Archival Policy
 - » Determination of material events
 - » Preservation of documents
15. Manual maintained for compliance management system for applicable laws to the Company.

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

Particulars	Status																																											
i) Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	<table><tr><th colspan="2">Number of times</th></tr><tr><th>if total remuneration of the Director is considered</th><th>if total remuneration of the Director excluding variable pay and commission is considered</th></tr><tr><td>R A Shah</td><td>3.29</td><td>0.44</td></tr><tr><td>S S Bajjal</td><td>5.78</td><td>0.81</td></tr><tr><td>B S Mehta</td><td>4.25</td><td>0.73</td></tr><tr><td>H S Shah</td><td>4.41</td><td>0.60</td></tr><tr><td>S M Datta</td><td>4.03</td><td>0.51</td></tr><tr><td>V S Rangan</td><td>4.83</td><td>0.73</td></tr><tr><td>M M Chitale</td><td>2.05</td><td>0.29</td></tr><tr><td>S A Panse</td><td>3.22</td><td>0.29</td></tr><tr><td>B R Arora</td><td>3.37</td><td>0.44</td></tr><tr><td>S S Lalbhai</td><td>240.06</td><td>89.08</td></tr><tr><td>S A Lalbhai</td><td>75.33</td><td>31.86</td></tr><tr><td>B N Mohanan</td><td>38.33</td><td>29.99</td></tr><tr><td>T R Gopi Kannan</td><td>51.75</td><td>40.80</td></tr></table>	Number of times		if total remuneration of the Director is considered	if total remuneration of the Director excluding variable pay and commission is considered	R A Shah	3.29	0.44	S S Bajjal	5.78	0.81	B S Mehta	4.25	0.73	H S Shah	4.41	0.60	S M Datta	4.03	0.51	V S Rangan	4.83	0.73	M M Chitale	2.05	0.29	S A Panse	3.22	0.29	B R Arora	3.37	0.44	S S Lalbhai	240.06	89.08	S A Lalbhai	75.33	31.86	B N Mohanan	38.33	29.99	T R Gopi Kannan	51.75	40.80
	Number of times																																											
	if total remuneration of the Director is considered	if total remuneration of the Director excluding variable pay and commission is considered																																										
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B N Mohanan	38.33	29.99																																										
T R Gopi Kannan	51.75	40.80																																										
ii) Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	<table><tr><th>Directors</th><th>%</th></tr><tr><td>R A Shah</td><td>13.49</td></tr><tr><td>S S Bajjal</td><td>0.25</td></tr><tr><td>B S Mehta</td><td>(0.26)</td></tr><tr><td>H S Shah</td><td>27.92</td></tr><tr><td>S M Datta</td><td>37.50</td></tr><tr><td>V S Rangan</td><td>1.54</td></tr><tr><td>M M Chitale</td><td>40.00</td></tr><tr><td>S A Panse</td><td>NA</td></tr><tr><td>B R Arora</td><td>NA</td></tr><tr><td>Chairman and Managing Director</td><td></td></tr><tr><td>S S Lalbhai</td><td>31.81</td></tr><tr><td>Managing Director</td><td></td></tr><tr><td>S A Lalbhai</td><td>18.50</td></tr><tr><td>Whole-time Director</td><td></td></tr><tr><td>B N Mohanan</td><td>21.81</td></tr><tr><td>Whole-time Director and Chief Financial Officer</td><td></td></tr><tr><td>T R Gopi Kannan</td><td>6.28</td></tr><tr><td>Company Secretary</td><td></td></tr><tr><td>L P Patni</td><td>13.70</td></tr></table>	Directors	%	R A Shah	13.49	S S Bajjal	0.25	B S Mehta	(0.26)	H S Shah	27.92	S M Datta	37.50	V S Rangan	1.54	M M Chitale	40.00	S A Panse	NA	B R Arora	NA	Chairman and Managing Director		S S Lalbhai	31.81	Managing Director		S A Lalbhai	18.50	Whole-time Director		B N Mohanan	21.81	Whole-time Director and Chief Financial Officer		T R Gopi Kannan	6.28	Company Secretary		L P Patni	13.70			
	Directors	%																																										
	R A Shah	13.49																																										
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T R Gopi Kannan	6.28																																											
Company Secretary																																												
L P Patni	13.70																																											
iii) Percentage increase in the median remuneration of employees in the financial year	23.94%																																											
iv) Number of permanent employees on the rolls of Company	2,486																																											
v) Explanation on the relationship between average increase in remuneration and Company performance	<p>During 2015-16, sales decreased by 4.10% from ₹ 2,510 cr to ₹ 2,407 cr, PBT increased by 25.96% from ₹ 312 cr to ₹ 393 cr and PAT by 23.50% from ₹ 217 cr to ₹ 268 cr.</p> <p>Average increase in aggregate remuneration was 10%.</p> <p>Apart from the Company performance, other factors like inflation and market factors contributed to the increase in remuneration.</p>																																											

Particulars	Status																												
vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company	<div>(₹ cr)</div> <table><tr><th></th><th>2014-15</th><th>2015-16</th><th>% increase decrease</th></tr><tr><td>Sales</td><td>2,510.00</td><td>2,407.00</td><td>(4.10)</td></tr><tr><td>PBT</td><td>312.00</td><td>393.00</td><td>25.96</td></tr><tr><td>Remuneration</td><td>9.57</td><td>11.57</td><td>10.57</td></tr></table>		2014-15	2015-16	% increase decrease	Sales	2,510.00	2,407.00	(4.10)	PBT	312.00	393.00	25.96	Remuneration	9.57	11.57	10.57												
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PBT	312.00	393.00	25.96																										
Remuneration	9.57	11.57	10.57																										
vii) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies and in case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	<p>During 2015-16, market capitalisation increased from ₹ 3,321 cr to ₹ 4,570 cr.</p> <p>Price earnings ratio increased from 15.38 to 17.05.</p> <p>As compared to last public offer price of ₹ 45 in 1994, the market price was ₹ 1,541 as on March 31, 2016.</p>																												
viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>Average increase for Key Managerial Personnel and for other employees was about 10%.</p> <p>There is no exceptional increase in remuneration of Key Managerial Personnel.</p>																												
ix) Comparison of the remuneration of each Key Managerial Personnel against the performance of the Company	<p>During 2015-16, sales lower by 4%, PBT grew by 26% and the remuneration of KMPs increased by 24%.</p> <div>(₹ cr)</div> <table><tr><th></th><th colspan="3">Remuneration</th></tr><tr><th></th><th>2014-15</th><th>2015-16</th><th>% increase decrease</th></tr><tr><td>Chairman and Managing Director S S Lalbhai</td><td>4.98</td><td>6.56</td><td>31.81</td></tr><tr><td>Managing Director S A Lalbhai</td><td>1.74</td><td>2.06</td><td>18.50</td></tr><tr><td>Whole-time Director B N Mohanan</td><td>0.86</td><td>1.05</td><td>21.81</td></tr><tr><td>Whole-time Director and Chief Financial Officer T R Gopi Kannan</td><td>1.33</td><td>1.41</td><td>6.28</td></tr><tr><td>Company Secretary L P Patni</td><td>0.43</td><td>0.49</td><td>13.70</td></tr></table>		Remuneration				2014-15	2015-16	% increase decrease	Chairman and Managing Director S S Lalbhai	4.98	6.56	31.81	Managing Director S A Lalbhai	1.74	2.06	18.50	Whole-time Director B N Mohanan	0.86	1.05	21.81	Whole-time Director and Chief Financial Officer T R Gopi Kannan	1.33	1.41	6.28	Company Secretary L P Patni	0.43	0.49	13.70
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Company Secretary L P Patni	0.43	0.49	13.70																										
x) Key parameters for any variable component of remuneration availed by the Directors	Linked with the Company performance. Mainly, profit growth																												
xi) Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	There are no such employees																												
xii) Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company																												

* Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2016.

Atul Ltd has 2 reporting segments, namely, Life Science Chemicals and Performance and Other Chemicals.

Life Science Chemicals Segment

Particulars	2015-16	2014-15	% Change
Sales (₹ cr)	748	676	11%
Share in total sales (%)	31%	27%	4%

Life Science Chemicals Segment consists 2 Sub-segments (interchangeably called as Businesses), namely, Crop Protection and Pharmaceuticals and Intermediates.

Crop Protection

Product groups: Herbicides, Insecticides, Fungicides, Others

The products falling under these product groups are used by customers belonging to Crop Protection Chemicals and Agriculture industries. The product groups comprise about 20 products and 40 formulations. 2,4-D, Indoxacarb and Isoprothiolane are some of the key products.

During 2015-16, sales increased by 22% from ₹ 342 cr to ₹ 418 cr. Sales in India decreased by 16% from ₹ 194 cr to ₹ 163 cr; bulk sales in India decreased by 14% from ₹ 73 cr to ₹ 63 cr whereas brand sales which are currently only in India decreased by 17% from ₹ 121 cr to ₹ 100 cr. Sales outside India increased by 72% from ₹ 148 cr to ₹ 255 cr and formed 61% of the total. Increase on account of volume was 34%. Sales increased mainly because of good demand for one of the key herbicides. The Company completed 3 projects and undertook 1 project for implementation.

The size of world Crop Protection Chemicals industry is estimated at US\$ 52 bn and is growing at about 4%. There are about 60 major companies which dominate the world marketplace. The size of world Agriculture industry is estimated at US\$ 3.35 tn and is growing at about 3%.

The main user industries, namely Crop Protection Chemicals and Agriculture, are growing well because of the need to feed a growing population under constraints of related resources. The Company will participate in this growth by i) building a strong sales and marketing organisation and broadening and deepening its presence in other countries, particularly in Africa and South America, ii) promoting its brand sales, iii) improving its manufacturing and working capital efficiencies, iv) generating and adding capacities and v) introducing new products and formulations.



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

Pharmaceuticals

Product groups: API intermediates, Active Pharmaceutical Ingredients, Others

The products falling under these product groups are used by customers belonging to Pharmaceutical industry for various therapeutic categories, such as anti-depressant, anti-diabetic, anti-infective, anti-retroviral and cardiovascular. The product groups comprise about 50 products. Carbonates, chloroformates, isocyanates and organic ureas are some of the key classes of products.



During 2015-16, sales decreased by 1% from ₹ 334 cr to ₹ 330 cr. Sales in India decreased by 9% from ₹ 186 cr to ₹ 170 cr. Sales outside India increased by 8% from ₹ 148 cr to ₹ 160 cr and formed 48% of the total. Degrowth on account of volume was 1%. The Company successfully completed its second USFDA inspection for one of its products; it is in the process of expanding its API plant. Atul Bioscience Ltd (ABL), a 100% subsidiary company, focussed on production of advanced API intermediates, increased its sales by 17% from ₹ 47 cr to ₹ 55 cr, primarily because of volume; it undertook 1 project for implementation.

The size of world Pharmaceutical industry is estimated at US\$ 1.75 tn, of which the conventional pharmaceutical segment is US\$ 1.2 tn and is growing at about 8%. Of this, the size of world API industry is estimated at US\$ 150 bn and is growing at about 7%. There are about 20 major companies which dominate the world marketplace.

The main user industry, namely, Pharmaceutical, is growing well because of increasing awareness about diseases and health. The Company along with ABL will participate in this growth by i) widening its market reach, ii) increasing its manufacturing efficiencies, iii) generating and adding capacities and iv) introducing new products. It will also form long-term strategic alliances with other companies.

The prices of some products may come down in a short time. Fluctuations in foreign exchange may impact sales realisations.



Performance and Other Chemicals Segment

Particulars	2015-16	2014-15	% Change
Sales (₹ cr)	1,659	1,834	(10)%
Share in total sales (%)	69%	73%	(4)%

Performance and Other Chemicals Segment consists 4 Sub-segments, namely, Aromatics, Bulk Chemicals and Intermediates, Colors and Polymers.

Aromatics

Product groups: Intermediates, Perfumery, Others



The products falling under these product groups are mainly used by customers belonging to Fragrance and Personal Care industries. The product groups comprise about 27 products. *p*-Cresol, *p*-Anisic Aldehyde, Sodium Sulphate and Sodium Sulphite are some of the key products.

During 2015-16, sales decreased by 10% from ₹ 522 cr to ₹ 469 cr. Sales in India decreased by 1% from ₹ 140 cr to ₹ 139 cr. Sales outside India decreased by 14% from ₹ 382 cr to ₹ 330 cr and formed 70% of the total. Growth on account of volume was 3%. The Company completed 1 project and undertook 1 project for implementation.

World market of *p*-Cresol (a key product) is estimated at 63,000 mt and is growing at about 2%. Though earlier the product used to be manufactured in the UK and the USA, China and India are now the major suppliers of the product. The size of world Fragrance industry is estimated at US\$ 11 bn and is growing at about 4% and the size of world Personal Care industry is estimated at US\$ 400 bn of which personal care ingredient segment is US\$ 20 bn and is growing at about 4%.

The main user industries, namely, Fragrance and Personal Care, are growing well because of improving standard of living. The Company will participate in this growth by i) broadening its market reach, ii) increasing its manufacturing efficiencies, iii) generating and adding capacities and iv) introducing new products.

The prices of key raw materials which are derived from crude oil fluctuate almost monthly whereas the customers in the user industries expect the prices of the finished products to remain firm for a quarter or even more; on such



occasions, it is possible to get affected adversely. Fluctuations in foreign exchange may impact sales realisations.

Bulk Chemicals and Intermediates

Product groups: Bulk chemicals, Adhesion promoters, Others



The products falling under these product groups are used mainly for internal consumption and by customers belonging to Cosmetic, Dyestuff and Tyre industries. The product groups comprise about 26 products. Resorcinol, Resorcinol Formaldehyde Resins, Sulphur Trioxide and Chlorosulphonic Acid are some of the key products.

During 2015-16, (external) sales decreased by 12% from ₹ 100 cr to ₹ 88 cr. Sales in India increased by 4% from ₹ 55 cr to ₹ 57 cr. Sales outside India decreased by 31% from ₹ 45 cr to ₹ 31 cr and formed 35% of the total. Degrowth on account of volume was 11%. The Company completed 1 project.

The size of world Chlor-alkali industry is estimated at US\$ 70 bn and is growing at about 6%. World market for Resorcinol

(a key product) is estimated at US\$ 320 mn and is growing at about 3%. The size of world Tyre industry is estimated at US\$ 220 bn and is growing at about 6.5%.

The captive consumption of bulk chemicals is expected to grow as the Company expands manufacturing capacities of its various products. Tyre industry is expected to grow further because of increasing population on the one hand and improving standard of living on the other. The Company will participate in this growth by i) widening its market reach, ii) increasing its manufacturing efficiencies, iii) generating and adding capacities and iv) introducing downstream products.

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

Colors

Product groups: Textile dyes, Pigments, Paper dyes, Inks, Textile chemicals, Others

The products falling under these product groups are used by customers belonging to Textile, Paint and Coatings and Paper industries. The product groups comprise about 550 products. Green 1, P Red and Sulphur Black are some of the key products.

During 2015-16, sales decreased by 23% from ₹ 515 cr to ₹ 398 cr. Sales in India decreased by 10% from ₹ 250 cr to ₹ 224 cr. Sales outside India decreased by 34% from ₹ 265 cr to ₹ 174 cr and formed 44% of the total. Degrowth on account of volume was 18%. The Company completed 4 projects and undertook 2 projects for implementation.



Rudolf Atul Chemicals Ltd (RACL), a joint venture company formed in 2011-12, provides a complete range of textile chemicals in Indian market; increased its sales by 42% from ₹ 43 cr to ₹ 61 cr, primarily because of volume.

The size of world Dyestuff industry is estimated at US\$ 6 bn and is growing at about 3.5%. China is the largest manufacturer of dyes followed by India. World market for high performance pigments is estimated at US\$ 4.3 bn and is growing at about 2.7%.

The main user industries, namely, Paint and Coatings and Textile, will continue to grow because of increase in discretionary spending. The Company along with RACL will participate in this growth by i) broadening its market reach in new geographies, ii) increasing its manufacturing and working capital efficiencies and iii) introducing new dyes, pigments and products for non-textile applications.



Fluctuations in foreign exchange and availability of raw materials may impact sales realisations. Treatment costs are expected to remain high given that the manufacture of dyes and pigments generates significant pollutants.

Polymers

Product groups: Epoxy Resins and Hardeners, Reactive Diluents, Sulphones, Rubber and Polyurethane based Adhesives, Others



The products falling under these product groups are used by customers belonging to Aerospace, Automobile, Composites, Construction, Defence, Electrical and Electronics, Footwear, Paint and Coatings, Paper, Sports and Leisure and Wind Energy industries. The product groups comprise about 82 synthetic products and 290 formulations. B11, P62 and P101 are some of the key products.

During 2015-16, sales increased by 1% from ₹ 697 cr to ₹ 704 cr. Sales in India decreased by 2% from ₹ 458 cr to ₹ 449 cr. Brand sales decreased by 7% from ₹ 95 cr to ₹ 88 cr.

Sales outside India increased by 7% from ₹ 239 cr to ₹ 255 cr and formed 36% of the total. Growth on account of volume was 6%. Sales from new products were ₹ 39 cr. The Company completed 3 projects and undertook 2 projects for implementation.

World market for Epoxy Resins and Hardeners is estimated at US\$ 6.3 bn and is growing at about 2% and Indian market is estimated at US\$ 250 mn and is growing at about 6%. There are about 7 major companies which dominate the world marketplace. World market for Sulphones (a hardener) is estimated at US\$ 320 mn and is growing at about 4%.

The user industries, Construction, Defence, Electrical and Electronics, Paint and Coatings and Wind Energy are growing well, particularly in India. The Company will participate in this growth by i) widening its market reach, ii) increasing its manufacturing and working capital efficiencies, iii) generating and adding new capacities of Epoxy Resins and Hardeners and iv) introducing new products and formulations.



Cheaper imports of Epoxy Resins and Hardeners may keep the contribution margins under pressure. Since the two main raw materials, namely Bisphenol-A and Epichlorohydrin, are imported, fluctuations in foreign exchange may impact margins.

Internal Control Systems



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

The Company has an in-house Internal Audit department (which became ISO 9001:2008 certified in 2014) consisting of professionally qualified Managers. It is also working with reputed firms specialising in Internal Audit function. The combined efforts are helping to introduce best practices required to manage its growing business that now comprises, amongst others, subsidiary, joint venture and associate companies in India and abroad. Internal Audit is also carried out for Atul Foundation and entities overseen by it.

During 2015-16, the Company further strengthened the systems of Internal Audit and risk assessment and mitigation and took several Key Initiatives. In specific, it i) conducted 96 process reviews, ii) introduced new integrated selective controls for monitoring inventories, iii) developed | implemented 11 new Standard Operating Procedures (SOPs) and iv) completed 31 more SOPs under SOP standardisation project for various functions.

The Company also engaged one of the big Internal Audit firms to evaluate if the internal financial controls and systems are adequately structured to address the normal business operations of the Company and implemented their recommendations on internal control documentation.

Human Resources

The Company continued with its drive to institutionalise and upgrade its HR processes, to help build a more robust workforce capable of managing dynamic and growing business needs. In particular, it focused on improving its processes related to Integrated Development, Performance Management and Succession Planning.

The process of identification and review of Key Initiatives has become stronger and is continuously upgraded. On an average 5.3 man days of training was imparted during 2015-16. The training need is identified based on self-assessment, L+1 assessment; 360 degree feedback and Individual Development Plan; in addition, there are certain standard in-house and external

Management Development Programs (to enhance functional and behavioural competencies) which an employee is expected to go through, depending upon his (her) grade.

The number of employees (as on March 31, 2016) increased marginally by 8 from 2,760 to 2,768. The increase in numbers in Marketing and Research and Development has been more than offset by the reduction in numbers in Manufacturing. The



number of employees comprises those working in the Company and also in its non-manufacturing subsidiary and associate companies, but not those working in manufacturing subsidiary, joint venture or associate companies.

Long-term settlement with all the Unions at Atul Complex was signed on the same day and the agreement was reached to further enhance people productivity. The settlement period was increased from 4.5 years to 5 years. Employee Relations at all locations remain cordial, and the endeavour is to completely eliminate the divide that sometimes separates the managers and the workmen and use the strengths of everyone to boost the performance of the Company.

Corporate Governance

Guy in the Glass

When you get what you want in your struggle for pelf,
and the world makes you King for a day;
then go to the mirror and look at yourself,
and see what that guy has to say.

For it is not your father or mother or wife,
whose judgement upon you must pass.
The feller whose verdict counts most in your life
is the guy staring back from the glass.

You can fool the whole world down the pathway of years,
and get pats on the back as you pass,
but your final reward will be heartaches and tears
if you have cheated the guy in the glass.

~ Dale Wimbrow

1. Philosophy

Transparency and accountability are the 2 basic tenets of Corporate Governance. Atul is proud to belong to a Group whose Founder lived his life with eternal Values and built the business enterprises on the foundation of good governance. The Company is committed to conducting business the right way which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavours to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its Stakeholders.

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

2. Board

2.1 Board business

The normal business of the Board comprises:

2.1.01 Approving

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

2.1.02 Monitoring

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

2.1.03 Noting

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

2.1.04 Recommending

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

2.1.05 Reviewing

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

2.1.06 Setting

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

2.1.07 Others

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

2.2 Appointment and tenure

2 | 3rd of the Directors (other than the Independent Directors) are rotational Directors. 1 | 3rd of rotational Directors retire in every Annual General Meeting (AGM) and, if eligible, offer themselves for reappointment. The Whole-time Directors are appointed by the Members for a period up to 5 years. The contracts with Whole-time Directors provide notice period of 6 months and severance pay as per the provisions of the Companies Act, 2013.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At this time, it consists of 13 Members comprising 9 Non-executive Directors (7 Independent and 2 Non-independent), 4 Executive Directors (including 2 promoters). The Independent Directors account for 54% of the strength of the Board, as against minimum requirement of 50% as per the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 33.33% as per the Companies Act, 2013. The Non-executive Directors are eminent professionals, drawn from amongst persons with skill, experience and knowledge in one or more fields of finance, law, management or any other discipline related to the business of the Company.

No.	Name	Directorship(s) in other company (ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
Chairman and Managing Director				
01	S S Lalbhai	5	2	—
Managing Director				
02	S A Lalbhai	2	—	—
Whole-time Directors				
03	B N Mohanan	8	—	—
04	T R Gopi Kannan	6	3	—

No.	Name	Directorship(s) in other company (ies) ¹	Membership(s) of the Committee(s) of the Board(s) ²	Chairmanship(s) of the Committee(s) of the Board(s) ²
Non-executive Directors				
05	R A Shah	9	5	3
06	S S Bajjal	5	1	3
07	B S Mehta	8	5	3
08	H S Shah	1	1	1
09	S M Datta	9	8	2
10	V S Rangan	7	6	–
11	M M Chitale	9	4	5
12	S A Panse	6	5	–
13	B R Arora	2	2	–

Mr S S Lalbhai and Mr S A Lalbhai are promoter Directors and related to each other

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

¹Excludes Directorships in foreign companies and private limited companies

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

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2015-16, the Board met 5 times:

No.	Day	Date	Venue
01	Thursday	April 30, 2015	Mumbai
02	Friday	July 24, 2015	Mumbai
03	Friday	October 30, 2015	Mumbai
04	Friday	January 22, 2016	Mumbai
05	Friday	March 25, 2016	Mumbai

2.5 Attendance at the Board meetings and the AGM

No.	Name	Board meetings		AGM on August 4, 2015
		Total	Attended	
01	S S Lalbhai	5	5	Present
02	R A Shah	5	5	–
03	S S Bajjal	5	5	Present
04	B S Mehta	5	5	–
05	H S Shah	5	5	Present
06	S A Lalbhai	5	4	Present
07	S M Datta	5	5	–
08	B N Mohanan	5	5	Present
09	V S Rangan	5	5	Present
10	M M Chitale	5	3	Present
11	T R Gopi Kannan	5	5	Present
12	S A Panse	5	4	–
13	B R Arora	5	5	Present

2.6 Appointment | Cessation

- » Appointed: Nil
- » Ceased: Nil
- » Resigned: Nil

2.7 Remuneration

No.	Name	Remuneration during the year			
		Sitting fees	Salary and perquisites	Commission	Total
		₹	₹	₹	₹
Chairman and Managing Director					
01	S S Lalbhai	–	2,43,39,000	4,12,50,000	6,55,89,000
Managing Director					
02	S A Lalbhai	–	87,03,995	1,18,76,580	2,05,80,575
Whole-time Directors					
03	B N Mohanan	–	1,04,72,107	–	1,04,72,107
04	T R Gopi Kannan	–	1,41,39,545	–	1,41,39,545
Non-executive Directors*					
05	R A Shah	1,20,000	–	7,80,000	9,00,000
06	S S Baijal	2,20,000	–	13,60,000	15,80,000
07	B S Mehta	2,00,000	–	9,60,000	11,60,000
08	H S Shah	1,65,000	–	10,40,000	12,05,000
09	S M Datta	1,40,000	–	9,60,000	11,00,000
10	V S Rangan	2,00,000	–	11,20,000	13,20,000
11	M M Chitale	80,000	–	4,80,000	5,60,000
12	S A Panse	80,000	–	8,00,000	8,80,000
13	B R Arora	1,20,000	–	8,00,000	9,20,000

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

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

Commission up to 1% of the net profits of the Company to the Non-executive Directors was approved by the Members of the Company at the AGM held on July 26, 2013 for a period of 5 years, effective from April 01, 2013. The Board approves, within the aforesaid limit, commission payable to each Non-executive Director.

3. Committees of the Board

The Board has constituted the following Committees:

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

3.1 Audit Committee

3.1.01 Role

- i) Approving
 - » appointment of the Chief Financial Officer
 - » transactions with Related Parties and subsequent modifications thereof
- ii) Conducting
 - » pre-audit discussions with the Auditors regarding nature and scope of the audit and post-audit discussion to ascertain any areas of concern
 - » valuation of undertakings or assets, wherever necessary
- iii) Formulating
 - » scope, functioning, periodicity and methodology for conducting the Internal Audit in consultation with the Internal Auditor
 - » Code of Conduct and related matters
- iv) Reviewing
 - » adequacy of the Internal Audit function, including the structure of Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit
 - » significant transactions and arrangements entered into by the unlisted subsidiary companies
 - » the Auditors' independence, performance and effectiveness of the audit process
 - » periodically with the Auditors the Internal Control Systems, the scope of audit including the observations of the Auditors and the Financial Statements before submission to the Board
 - » the annual Financial Statements and Auditors' Report with the Management before submission to the Board for approval with particular reference to:
 - any changes in Accounting Policies and practices
 - compliance with Accounting Standards
 - compliance with the Stock Exchanges and legal requirements concerning the Financial Statements
 - disclosure of any Related Party Transactions
 - going concern assumption
 - major accounting entries involving estimates based on exercise of judgement by the Management
 - matters required to be included in the Directors' Responsibility Statement for the Directors' Report
 - qualifications in the draft Audit Report
 - significant adjustments made in the Financial Statements arising out of audit findings
 - » with the Internal Auditors any significant findings and follow up thereon including findings of any internal investigations into matters where there is suspected fraud or irregularity or failure of the Internal Control Systems of material nature and reporting such matters to the Board
 - » financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient
 - » compliance reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically
 - » reasons for substantial defaults, if any, in the payment to the depositors, the debenture holders, the Members (in case of non-payment of declared dividends) and creditors
 - » the Financial Statements, in particular, investments made by unlisted subsidiary companies
 - » functioning of Whistle-blowing mechanism
 - » following information mandatorily:
 - appointment, removal and terms of remuneration of the Chief Internal Auditor
 - Internal Audit Reports relating to weaknesses in the Internal Control Systems
 - Management Discussion and Analysis of financial condition and results of operations
 - management letters | letters of internal control weaknesses issued by the Statutory Auditors
 - statement of Related Party Transactions submitted by the Management
 - » with the Management the statement of uses | applications of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for the purposes other than those stated

- v) Others
 - » determining procedures for risk assessment and minimisation, and reviewing them periodically to ensure that the Executive Management controls risks through means of a properly defined framework
 - » evaluating internal financial controls and Risk Management system
 - » recommending appointment, remuneration and terms of appointment of the Auditors and approval for payment for any other services
 - » scrutinising inter-corporate loans and investments
 - » carrying out any other function as mentioned in the terms of reference of the Audit Committee

3.1.02 Composition

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

No.	Name	Designation
01	S S Bajjal	Chairman
02	B S Mehta	Member
03	V S Rangan	Member

3.1.03 Meetings and attendance

During 2015-16, 4 meetings were held:

No.	Name	Total	Attended
01	S S Bajjal	4	4
02	B S Mehta	4	4
03	V S Rangan	4	4

The Statutory Auditors, the Cost Auditors, the Chairman and Managing Director, the Whole-time Director and CFO, the Company Secretary, the heads of Finance, Accounts, Costing and Internal Audit are permanent invitees to the meetings.

The Board notes the Minutes of the Audit Committee meetings.

3.2 Nomination and Remuneration Committee

3.2.01 Role

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

3.2.02 Composition

The Committee comprises following Members:

No.	Name	Designation
01	H S Shah	Chairman
02	S S Bajjal	Member
03	R A Shah	Member

3.2.03 Meetings and attendance

During 2015-16, no meeting was held.

3.3 Stakeholders Relationship Committee

3.3.01 Role

- i) Considering and resolving grievances (including complaints related to non-receipt of the Annual Report, non-receipt of declared dividends and transfer of shares) of security holders (including the Shareholders, debenture holders and other security holders).
- ii) Reviewing any other related matter which the Committee may deem fit in the circumstances of the case including the following:
 - » Change of name(s) of the Members on share certificates
 - » Consolidation of share certificates
 - » Deletion of name(s) of guardian(s)
 - » Deletion of name(s) from share certificates
 - » Dematerialisation of shares
 - » Issue of duplicate share certificates
 - » Rematerialisation of shares
 - » Replacement of shares
 - » Splitting-up of shares
 - » Transfer of shares
 - » Transmission of shares
 - » Transposition of names

3.3.02 Composition

The Committee comprises following Members:

No.	Name	Designation
01	H S Shah	Chairman
02	S S Lalbhai	Member
03	T R Gopi Kannan *	Member

* Effective July 24, 2015

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

3.3.03 Meetings and attendance

During 2015-16, 5 meetings were held:

No.	Name	Total	Attended
01	H S Shah	5	5
02	S S Lalbhai	5	5
03	T R Gopi Kannan *	4	4

* Effective July 24, 2015

During 2015-16, 32 complaints were received from the Investors. All the grievances were solved to the satisfaction of the Investors:

No.	Nature of complaint	Received	Redressed
01	Non-receipt of dividend warrant	22	22
02	Non-receipt of share certificates	1	1
03	Non-receipt of duplicate share certificates	3	3
04	Others	6	6
	Total	32	32

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

3.4 Corporate Social Responsibility Committee

3.4.01 Role

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

3.4.02 Composition

The Committee comprises following Members:

No.	Name	Designation
01	H S Shah	Chairman
02	S S Lalbhai	Member
03	B N Mohanan	Member

3.4.03 Meetings and attendance

During 2015-16, 1 meeting was held :

No.	Name	Total	Attended
01	H S Shah	1	1
02	S S Lalbhai	1	1
03	B N Mohanan	1	1

The Board notes the Minutes of the CSR Committee meetings.

3.5 Investment Committee

3.5.01 Role

- i) Approving business strategies
- ii) Approving capital expenditure proposals exceeding ₹ 5 cr each
- iii) Recommending to the Board acquisition and disinvestment or divestment proposals
- iv) Recommending to the Board purchase | sale of investments in Equity shares

3.5.02 Composition

The Committee comprises following Members:

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

3.5.03 Meetings and attendance

During 2015-16, 1 meeting was held:

No.	Name	Total	Attended
01	R A Shah	1	1
02	S S Baijal	1	1
03	B S Mehta	1	1
04	S M Datta	1	1
05	S S Lalbhai	1	1

The Board notes the Minutes of the Investment Committee meetings.

4. **Subsidiary companies registered in India**

As on March 31, 2016, the Company had 9 non-material Indian unlisted subsidiary companies:

- a) 3 wholly-owned – Anchor Adhesives Pvt Ltd, Atul Bioscience Ltd and Atul Finserv Ltd
- b) 1 joint venture – Atul Rajasthan Date Palms Ltd
- c) 5 others – Aasthan Dates Ltd, Atul Biospace Ltd, Atul Infotech Pvt Ltd, Biyaban Agri Ltd and Raja Dates Ltd

The Financial Statements of the above companies were reviewed by the Audit Committee. The Minutes of the meetings of all the subsidiary companies were placed before the Board.

5. **Company policies**

5.1 **Compliance**

Compliance certificates confirming due compliance with statutory requirements are placed at the Board meeting for review by the Directors. A system of ensuring material compliance with the laws, orders, regulations and other legal requirements concerning the business and affairs of the Company is in place. Instances of non-compliance, if any, are also separately reported to the Board and subsequently rectified.

5.2 **Code of Conduct**

The Code of Conduct is available on the website of the Company www.atul.co.in/investors/corporate_governance.html. All the Directors and the Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Chairman and Managing Director forms a part of this report.

5.3 **Prevention of Sexual Harassment of Women at Workplace**

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on Prevention of Sexual Harassment of Women at Workplace. During 2015-16, no complaint was received by the Committee set up pursuant to the aforesaid Policy.

5.4 **Related Party Transactions**

The Company has formulated a Related Party Transactions Policy and the same is disclosed on the website of the Company at www.atul.co.in/investors/pdf/Policy%20on%20transactions.pdf.

5.5 **'Material' Subsidiary companies**

The Company has formulated a policy for determining 'material' subsidiary companies and the same is disclosed on the website of the Company at www.atul.co.in/investors/pdf/Policy%20on%20transactions.pdf.

5.6 **Familiarisation programmes**

The details of Familiarisation programmes imparted to Independent Directors are disclosed on the website of the Company at http://www.atul.co.in/investors/familiarisation_programme.html.

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

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

Foreign exchange risks are tracked and managed within the Risk Management framework. Short-term foreign currency asset – liability mismatch is continuously monitored and hedged. The foreign exchange market is highly regulated and the Company ensures compliance with all the regulations.

6. **Affirmation and disclosure**

There were no materially significant Related Party Transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2015-16 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

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

7. Shareholders' information

7.1 General Body meetings

7.1.01 Location and time, where last 3 AGMs were held

Year	Location	Date	Time
2012-13	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 26, 2013	11:00 a.m.
2013-14	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 25, 2014	11:00 a.m.
2014-15	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	August 04, 2015	10:30 a.m.

7.1.02 Special Resolutions were passed in the previous 3 AGMs.

7.1.03 Resolutions through postal ballot were not passed.

7.2 AGM 2016

Details of the 39th AGM is as under:

Year	Location	Date	Time
2015-16	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380015, Gujarat India	July 29, 2016	10:30 a.m.

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

7.3 Financial year

April 01 to March 31

7.4 Date of book closure

July 16, 2016 to July 20, 2016

7.5 Date of dividend payment

August 03, 2016

7.6 Listing on the Stock Exchanges

Equity shares of the Company are listed on the BSE Ltd (BSE) and the National Stock Exchange of India Ltd (NSE). The Company has paid listing fees for 2016-17 to the Stock Exchanges where securities are listed. Pursuant to a circular of the Securities and Exchange Board of India (SEBI), custody charges were also paid to the Depositories, namely National Securities Depository Ltd and Central Depository Services (India) Ltd. The International Securities Identification Number of the Equity shares of the Company is INE100A01010. The Corporate Identity Number is L99999GJ1975PLC002859.

7.7 Stock code

BSE: 500027 and NSE: ATUL

7.8 Share price data and comparison with the BSE sensex

The monthly high and low share prices of the Company in comparison with the BSE sensex during 2015-16 are as under:

Month	Share price of the Company at BSE		BSE Sensex	
	High ₹	Low ₹	High	Low
April 2015	1,343.20	1,111.00	29,094.61	26,897.54
May 2015	1,228.35	1,100.00	28,071.16	26,423.99
June 2015	1,241.55	1,083.35	27,968.75	26,307.07
July 2015	1,337.95	1,155.00	28,578.33	27,416.39
August 2015	1,592.00	1,150.00	28,417.59	25,298.42
September 2015	1,574.00	1,263.00	26,471.82	24,833.54
October 2015	1,701.00	1,530.30	27,618.14	26,168.71
November 2015	1,805.00	1,625.15	26,824.30	25,451.42
December 2015	1,728.00	1,397.00	26,256.42	24,867.73
January 2016	1,753.95	1,386.10	26,197.27	23,839.79
February 2016	1,520.40	1,275.20	25,002.32	22,600.39
March 2016	1,569.00	1,363.75	25,479.62	23,133.18

7.9 Registrar and transfer agent

Link Intime India Pvt Ltd

303, Shoppers Plaza V, Opposite Municipal Market, Off C G Road, Navarangpura, Ahmedabad 380009, Gujarat, India
Telephone: (+91 79) 26465179

7.10 Share transfer system

Securities lodged for transfer at the office of the Registrar are processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 21 days.

Pursuant to Regulation 40(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, certificates on a half-yearly basis were issued by the Company Secretary in practice for due compliance of share transfer formalities by the Company. Pursuant to the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, certificates were also received from the Company Secretary in practice for timely dematerialisation of the shares and for conducting the Secretarial Audit on a quarterly basis for reconciliation of the share capital of the Company. All the certificates were filed with the Stock Exchanges where the shares of the Company are listed.

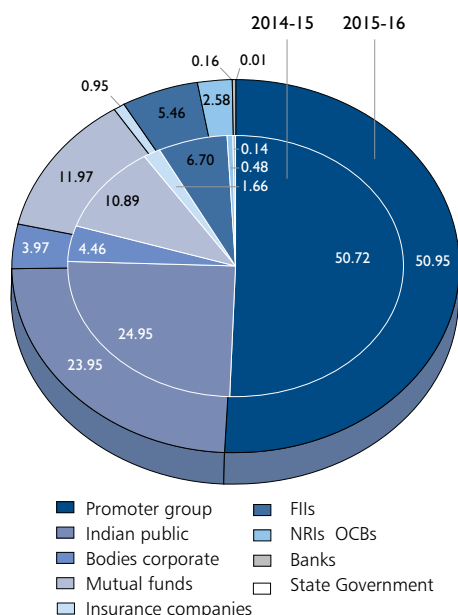
7.11 Distribution of shareholding as on March 31, 2016

7.11.01 Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of total	Numbers	% of total
1 – 10	6,099	21.11	33,065	0.11
11 – 50	11,419	39.52	3,14,807	1.06
51 – 100	4,168	14.42	3,45,179	1.16
101 – 500	5,316	18.39	12,76,435	4.30
501 – 1,000	929	3.22	6,89,830	2.33
1,001 – 2,000	417	1.44	6,07,991	2.05
2,001 – 3,000	153	0.53	3,85,711	1.30
3,001 – 4,000	77	0.26	2,76,560	0.93
4,001 – 5,000	55	0.19	2,56,872	0.87
5,001 – 10,000	107	0.37	7,60,894	2.57
10,001 and above	158	0.55	2,47,14,389	83.32
Total	28,898	100.00	2,96,61,733	100.00

7.11.02 Category-wise:

Category	Shares (Numbers)	Shareholding (%)
Promoter group	1,51,12,102	50.95
Indian public	71,05,095	23.95
Bodies corporate	11,78,425	3.97
Mutual funds	35,49,478	11.97
Insurance companies	2,80,572	0.95
Foreign institutional investors	16,19,839	5.46
Non-resident Indians Overseas corporate bodies	7,65,797	2.58
Banks	50,089	0.16
State Government	336	0.01
Total	2,96,61,733	100.00



7.12 Details of Equity shares in unclaimed suspense account

No.	Particulars	Number of Shareholders	Number of unclaimed shares
01	Opening balance of Equity shares in unclaimed suspense account as on April 01, 2015	1,106	41,498
02	Unclaimed Equity shares transferred to unclaimed suspense account during 2015-16	Nil	Nil
	Total	1,106	41,498
03	Transferred to Shareholders from unclaimed suspense account	15	1,008
04	Balance of Equity shares in unclaimed suspense account as on March 31, 2016 (1+2-3)	1,091	40,490
	Number of Shareholders who approached the Company for transfer of Equity shares from unclaimed suspense account	15	1,008

7.13 Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the Members as on March 31, 2016 as follows: 97.02% in electronic form and 2.98% in physical form.

7.14 Outstanding American Depository Receipts | Global Depository Receipts | warrants or any convertible instruments, conversion date and likely impact on Equity

Paid-up share capital of the Company comprises Equity shares. It does not have any Preference shares, outstanding American Depository Receipts, Global Depository Receipts, warrants or any convertible instruments.

7.15 Equity shares held by the Non-executive Directors

No.	Name	Shares
01	R A Shah	14,960
02	S S Baijal	6,000
03	B S Mehta	162
04	H S Shah	1,290
05	S M Datta	10,000
06	V S Rangan	2,000
07	M M Chitale	50
08	S A Panse	50
09	B R Arora	100

7.16 Location of plants

- Atul 396020, District Valsad, Gujarat, India
- GIDC, Ankleshwar 393002, District Bharuch, Gujarat, India
- GIDC, Kharod 394115, District Bharuch, Gujarat, India
- MIDC, Tarapur 401506, District Thane, Maharashtra, India

7.17 Address for correspondence

Secretarial and Legal department, Atul Ltd, Atul 396020, Gujarat, India
E-mail address: sec@atul.co.in

7.18 E-mail address of grievance redressal office

atul_ahmedabad@atul.co.in

7.19 Nomination facility

A Member can nominate a person who will have rights to shares and | or amount payable in respect of shares registered in his | her name in the event of his | her death. This facility is available to the Members and the nomination form can be obtained from the Company.

7.20 Communication

Half-yearly report sent to each household of the Members	Half-yearly report was not sent to the Members.
Quarterly and half-yearly results	Quarterly and half-yearly results of the Company were sent to the Stock Exchanges immediately after approval by the Board and published in The Economic Times (English) Ahmedabad and Mumbai editions and The Economic Times (Gujarati) Ahmedabad edition. The results were published in accordance with the guidelines of the Stock Exchanges.
Website where displayed	On the website of the Company: www.atul.co.in On the website of the Stock Exchanges: 1. www.bseindia.com 2. www.nseindia.com
Official news releases	Official news releases as and when issued are placed on the website of the Company.
Presentations made to the institutional investors or to the analysts	Presentation was made to the analysts on April 29, 2016 and a copy thereof was filed with the Stock Exchanges and displayed on the website of the Company.
Management Discussion and Analysis	Management Discussion and Analysis is a part of the Annual Report.

7.21 Tentative Board meeting dates for consideration of results for 2016-17

No.	Particulars	Dates
01	First quarter results	July 22, 2016
02	Second quarter and half-yearly results	October 21, 2016
03	Third quarter results	January 20, 2017
04	Fourth quarter and annual results	May 05, 2017

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

8.1 Compliance with the mandatory requirements

The Company complied with the mandatory requirements of Corporate Governance as specified in Regulation 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8.2 Extent of compliance with the non-mandatory requirements

The Company complies with the following non-mandatory requirements:

- i) Reporting of the Internal Auditor to the Audit Committee
- ii) Unqualified Financial Statements

9. Role of the Company Secretary in overall governance process

All the Directors have access to the suggestions and services of the Company Secretary | Legal department in ensuring an effective functioning of the Board and its Committees. The Company Secretary administers, attends and prepares Minutes of the Board and the Committee proceedings in accordance with the statutory requirements as well as the norms of Corporate Governance.

10. Certification by the Chief Executive Officer and the Chief Financial Officer

Mr S S Lalbhai, Chairman and Managing Director and Mr T R Gopi Kannan, Whole-time Director and CFO, issued a certificate to the Board as prescribed under Regulation 17 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The said certificate was placed before the Board at the meeting held on April 29, 2016 in which the accounts for the year ended March 31, 2016 were considered and approved by the Board.

11. Certification by the Statutory Auditors

Certificate from the Statutory Auditors of the Company, Dalal & Shah Chartered Accountants LLP, regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is forming a part of the Annual Report.

12. Declaration by the Chairman and Managing Director

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

For Atul Ltd

Mumbai
April 29, 2016

(S S Lalbhai)
Chairman and Managing Director

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of Atul Ltd

We have examined the compliance of conditions of Corporate Governance by Atul Ltd for the year ended March 31, 2016, as stipulated in Regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and Clause (b) to (i) of sub-regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as 'SEBI Listing Regulations, 2015').

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by The Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015.

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

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number 102020W | W-100040
Chartered Accountants

(S Venkatesh)
Partner

Membership Number: 037942

Mumbai
April 29, 2016

Notice

NOTICE is hereby given that the 39th Annual General Meeting of the Members of Atul Ltd will be held on Friday, July 29, 2016, at 10:30 a.m. at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat, India to transact the following businesses:

Ordinary business:

01. To receive, consider and adopt:
 - a) the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2016 and the Reports of the Directors and the Auditors thereon; and
 - b) the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2016 and the Report of the Auditors thereon.
02. To declare dividend on Equity shares.
03. To appoint a Director in place of Mr B S Mehta (DIN:00035019) who retires by rotation and being eligible, offers himself for reappointment.
04. To appoint a Director in place of Mr B N Mohanan (DIN:00198716) who retires by rotation and being eligible, offers himself for reappointment.
05. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT Dalal & Shah Chartered Accountants LLP (FRN: 102020W | W-100040) be and they are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting, on a remuneration to be decided by the Board or its Committee in connection with the audit of the Accounts of the Company for the financial year ended March 31, 2017.”

Special business:

06. To consider and, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 of the Companies Act, 2013 and any other applicable provisions for the time being in force, approval be and is hereby accorded to the reappointment of Mr B N Mohanan (DIN: 00198716) as a Whole-time Director of the Company, and his receiving of remuneration including minimum remuneration for a period of 3 years with effect from January 01, 2017, as per the draft Agreement submitted to this meeting and for identification initialled by the Chairman.

FURTHER RESOLVED THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions and the draft of Agreement as approved vide this Resolution as may be deemed fit from

time to time which may have the effect of increasing the remuneration and for considering modifications, if any, by the Central Government in regard to the policy | guidelines pertaining to managerial remuneration and for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem expedient, necessary, proper or in the best interest of the Company.”

07. To consider and, if thought fit, pass, with or without modifications, the following Resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2.24 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2017 as approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, (FRN: 000010) for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Inorganic Chemicals, Organic Chemicals and their derivatives, Insecticides and Polymers be and is hereby ratified and confirmed.”

Notes

01. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself | herself and the proxy need not be a Member. A person can act as proxy on behalf of not more than 50 Members and holding in aggregate not more than 10% of the total share capital of the Company. In order that the appointment of a proxy is effective, the instrument appointing the proxy must be received at the registered office of the Company not later than 48 hours before the commencement of the meeting, that is, by 10:30 a.m. on Wednesday, July 27, 2016.
02. Copies of the Balance Sheet, Statement of the Profit and Loss Account, the Directors' Report, the Auditors' Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2016 are annexed | attached.
03. The Register of Members and the Share Transfer Books of the Company will remain closed from July 16, 2016 to July 20, 2016 (both days inclusive).
04. The dividend if approved will be paid to those Members whose names stand on the Register of Members on July 15, 2016.

The Members holding shares in electronic form may please note that:

- i) Instructions regarding bank details which they wish to incorporate in future dividend warrants must be submitted to their Depository Participants (DPs). As per the regulations of National Securities Depository Ltd and Central Depository Services (India) Ltd, the Company is obliged to print on the dividend warrants, bank details as furnished by these depositories.
- ii) Instructions already given by the Members for shares held in physical form will not be automatically applicable to the dividend paid on shares held in electronic form. Fresh instructions regarding bank details should be given to the DPs.
- iii) Instructions regarding change of address, nomination and power of attorney must be given directly to the DPs.

05. Unpaid dividend payable to the Members in respect of the 21st dividend onwards, that is, from financial year ended March 31, 2009, will be transferred to the Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividends as to when they are due for transfer to the said fund is given below:

Dividend	Financial year ended	Date of declaration of dividend	Dividend payment	Expected date of transfer of unpaid dividend to IEPF
21 st	March 31, 2009	August 07, 2009	30%	August 06, 2016
22 nd	March 31, 2010	September 06, 2010	40%	September 05, 2017
23 rd	March 31, 2011	August 04, 2011	45%	August 03, 2018
24 th	March 31, 2012	July 27, 2012	45%	July 26, 2019
25 th	March 31, 2013	July 26, 2013	60%	July 25, 2020
26 th	March 31, 2014	July 25, 2014	75%	July 24, 2021
27 th	March 31, 2015	August 04, 2015	85%	August 03, 2022

No claim shall lie from a Member once the transfer is made to the said Fund. The Members who have not encashed their dividend warrants are requested to encash the same before the said transfer in their own interest.

- 06. The Company appointed Link Intime India Pvt Ltd in place of Sharepro Services (India) Pvt Ltd as Registrar and transfer agent for physical and dematerialised shares. The Members are requested to take note and deal with the aforesaid agency when necessary.
- 07. Electronic copy of the Annual Report for 2015-16 is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants; however, print copy is being sent in the permitted mode to such Members who may have so requested and to the Members who have not so registered.
- 08. Electronic copy of the Notice, *inter alia* indicating the process and manner of e-voting along with attendance slip and proxy form is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants for communication purposes unless any Member has requested for a print copy of the same. For the Members who have not so registered, physical copy of the Notice of the 39th Annual General Meeting *inter alia* indicating the process and manner of e-voting along with attendance slip and proxy form is being sent in the permitted mode.
- 09. The Members may also note that the Notice of the 39th Annual General Meeting (AGM) and the Annual Report for 2015-16 will also be available on the website of the Company, www.atul.co.in, which can be downloaded. The physical copies of the documents which are referred in this Notice and not attached will also be available at the registered office of the Company for inspection during normal business hours on working days on or before the date of AGM. Even after registering for e-communication, the Members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.
- 10. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members facility to exercise their right to vote at the 39th Annual General Meeting (AGM) by electronic means and the business may be transacted through remote e-voting services provided by Central Depository Services (India) Ltd (CDSL).

A. The instructions for remote e-voting are as under:

- i) Log on to the e-voting website www.evotingindia.com
- ii) Click on 'Shareholders' tab
- iii) Enter User ID as determined from the following table:

User ID for the Members holding shares in dematerialised (demat) form with CDSL	the 16-digit beneficiary ID
User ID for the Members holding shares in demat form with NSDL	the 8-character DP ID followed by 8-digit client ID
User ID for the Members holding shares in physical form	the folio number of the shares held in the Company

- iv) Enter image verification details as displayed on the screen and click on 'Login'
- v) **The Members already registered with CDSL** and exercised e-voting through www.evotingindia.com earlier:
- Use the existing password.
 - Click on the Electronic Voting Serial Number of Atul Ltd for voting.
 - 'Resolution description' appears on the voting page with 'Yes | No' options for voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies assent and option 'No' implies dissent to the Resolution.
 - Click on the 'Resolutions file link' to view the details.
 - After selecting the Resolution, click on 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok' else click on 'Cancel'.
 - After voting on a Resolution, the Members will not be allowed to modify their vote.
 - A print of the voting done may be taken by clicking on 'Click here to print' tab on the voting page.
 - In case a Member holding shares in demat form forgets his password, he can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.
- vi) **The Members (holding shares in demat | physical form) who are NOT already registered with CDSL** and are using the e-voting facility for the first time may follow the steps given below:
- Register as under:
 - » The Members who have already submitted their Permanent Account Number (PAN) to the Company | Depository Participant (DP) may enter their 10-digit alpha-numeric PAN issued by the Income Tax department. Others are requested to use the sequence number in the PAN field. The sequence number is mentioned in the attendance slip.
 - » Enter Date of Birth (DOB) as recorded in demat account or in records of the Company for the said demat account or folio in dd|mm|yyyy format.
or
Enter the Dividend Bank Details (DBD) as recorded in demat account or in records of the Company for the said demat account or folio.
or
If the DOB or DBD details are not recorded with the DP or the Company, enter the Member ID | folio number in the DBD field as under:

User ID for the Members holding shares in dematerialised (demat) form with CDSL	the 16-digit beneficiary ID
User ID for the Members holding shares in demat form with NSDL	the 8-character DP ID followed by 8-digit client ID
User ID for the Members holding shares in physical form	the folio number of the shares held in the Company
 - After entering these details appropriately, click on 'Submit'.
 - The Members holding shares in physical form will reach the Company selection screen. However, the Members holding shares in demat form will reach 'Password creation' menu and will have to enter login password in the 'new password' field. It is strongly recommended not to share the password with any other person and take utmost care to keep it confidential.
 - The Members holding shares in physical form can use login details only for e-voting on the Resolutions contained in this Notice.
 - Click on the Electronic Voting Serial Number of Atul Ltd for voting.
 - 'Resolution description' appears on the voting page with 'Yes | No' options for voting. Select the option 'Yes' or 'No' as desired. The option 'Yes' implies assent and option 'No' implies dissent to the Resolution.
 - Click on the 'Resolutions file link' to view the details.
 - After selecting the Resolution, click on 'Submit' tab. A confirmation box will be displayed. To confirm vote, click on 'Ok' else click on 'Cancel'.
 - After voting on a Resolution, the Members will not be allowed to modify their vote.
 - A print of the voting done may be taken by clicking on 'Click here to print' tab on the voting page.
 - In case a Member holding shares in demat form forgets his password, he can enter the User ID and the image verification details and click on 'Forgot password' to generate a new one.

- vii) Note for the Non-individual Member and the Custodian:
- Non-individual Member (that is, other than Individuals, Hindu Undivided Family, Non Resident Individual) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the registration form bearing the stamp and sign of the entity will be e-mailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance user shall be created using the admin login and password. The Compliance user will be able to link the account(s) for which they wish to vote on.
 - The list of accounts will be e-mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts votes can be cast.
 - A scanned copy of the Board Resolution and Power of Attorney issued in favour of the Custodian, if any, will have to be uploaded in PDF format in the system for verification by the Scrutiniser.
- viii) In case of queries or issues regarding e-voting, the Members may refer to the 'Frequently asked questions' and e-voting manual available at www.evotingindia.com, under 'help' section or write an e-mail to helpdesk.evoting@cdslindia.com. The Members may also contact Mr Anand Padh, Vice President, Link Intime India Pvt Ltd, 303, Shoppers Plaza V, Opposite Municipal Market, Off C G Road, Navarangpura, Ahmedabad 380009, Telephone: (+91 79) 26465179, E-mail address: anand.padh@linkintime.co.in or Mr S M Bhavsar, Senior Manager, Atul Ltd, Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India, Telephone: (+91 79) 26461294 | 26463706, E-mail address: shareholders@atul.co.in.
- The remote e-voting period commences on July 26, 2016 (at 9:00 a.m.) and ends on July 28, 2016 (at 5:00 p.m.). During this period the Members holding shares either in physical form or in demat form, as on the cut-off date of July 22, 2016, may cast their votes electronically. The remote e-voting module will be disabled by CDSL for voting thereafter. Once the vote on a Resolution is cast by the Member, no change will be allowed subsequently.
 - The voting rights of the Members will be in proportion to their share of the paid-up Equity share capital of the Company as on the cut-off date of July 22, 2016.
 - Mr A C Doshi, Practising Company Secretary (CPN: 2356) has been appointed as the Scrutiniser to scrutinise the remote e-voting and the voting process at the AGM in a fair and transparent manner.
 - The Scrutiniser will within a period not exceeding 3 working days from the conclusion of the e-voting period unblock the votes in the presence of at least 2 witnesses not in the employment of the Company and make a Scrutiniser's Report of the votes cast in favour or against, if any, and forward it to the Chairman of the Company.
 - The results will be declared at or after the AGM. The results declared along with the Scrutiniser's Report will be placed on www.atul.co.in, the website of the Company and on www.evotingindia.com, the website of CDSL within 2 days of passing of the Resolutions at the AGM and also will be communicated to the BSE Ltd and the National Stock Exchange of India Ltd.
- The facility for voting through ballot | polling paper will also be made available at the venue of the Annual General Meeting (AGM). The Members attending the meeting who have not already cast their vote through remote e-voting will be able to exercise their voting rights at the AGM. The Members who have already cast their votes through remote e-voting may attend the AGM, but will not be entitled to cast their vote again.
 - All documents referred to in the accompanying Notice and the Explanatory Statement will be open for inspection at the registered office of the Company during normal business hours on all working days up to and including the date of the Annual General Meeting.
 - The Members may send their comments on or suggestions for improvement of the Annual Report by email to sec@atul.co.in.
 - At the ensuing Annual General Meeting, Mr B S Mehta retires by rotation and being eligible, offers himself for reappointment. The information or details required as per Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to him are as under:

Name	Mr B S Mehta
Date of birth	September 19, 1935
Brief résumé	Mr B S Mehta is a Director of the Company since April 16, 1992. Mr Mehta is a distinguished Chartered Accountant and Chief Mentor in Bansi S Mehta & Co since 2009. Mr Mehta was the President of the Institute of Chartered Accountants of India for the year 1981-82. Mr Mehta holds a degree in Commerce and is a Fellow Member of the Institute of Chartered Accountants of India.

Directorship in other companies	Public companies: Century Enka Ltd Gillette India Ltd – Chairman Housing Development Finance Corporation Ltd IL&FS Investment Managers Ltd NSDL e-Governance Infrastructure Ltd Pidilite Industries Ltd Procter and Gamble Hygiene and Health Care Ltd Sasken Communication Technologies Ltd Private companies: ThyssenKrupp Industrial Solutions (India) Pvt Ltd
Membership in committees of other companies	Chairman of Committees: IL&FS Investment Managers Ltd – Audit Committee Pidilite Industries Ltd – Audit Committee Sasken Communication Technologies Ltd – Audit Committee Member of Committees: Century Enka Ltd – Audit Committee Century Enka Ltd – Corporate Social Responsibility Committee Century Enka Ltd – Nomination and Remuneration Committee Gillette India Ltd – Audit Committee Housing Development Finance Corporation Ltd – Audit Committee Housing Development Finance Corporation Ltd – Nomination and Remuneration Committee IL&FS Investment Managers Ltd – Corporate Social Responsibility Committee IL&FS Investment Managers Ltd – Nomination and Remuneration Committee Procter & Gamble Hygiene and Health Care Ltd – Audit Committee NSDL e-Governance Infrastructure Ltd – Audit Committee NSDL e-Governance Infrastructure Ltd – Corporate Social Responsibility Committee NSDL e-Governance Infrastructure Ltd – Nomination and Remuneration Committee Pidilite Industries Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	162

15. At the ensuing Annual General Meeting, Mr B N Mohanan retires by rotation and being eligible, offers himself for reappointment.

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

16. Route map for the venue of the Annual General Meeting is given separately.

Registered office:

Atul House
 G I Patel Marg
 Ahmedabad 380014, Gujarat
 India
 CIN: L99999GJ1975PLC002859
 April 29, 2016

By order of the Board of Directors

(L P Patni)

Company Secretary and Chief Compliance Officer

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

EXPLANATORY STATEMENT

The following Explanatory Statement, as required by Section 102 of the Companies Act, 2013, sets out material facts including the nature and concern or interest of the Directors in relation to the items of Special business under item number 6 and number 7 mentioned in the accompanying Notice.

Item number 06

Subject to the approval of the Shareholders, the Board reappointed Mr B N Mohanan as a Whole-time Director for 3 years effective January 01, 2017. His brief résumé is given below:

Name	Mr B N Mohanan
Date of birth	May 26, 1950
Brief résumé	<p>Mr B N Mohanan joined the Company on August 29, 1992 and is a Whole-time Director since January 01, 2009.</p> <p>Mr Mohanan has 44 years of experience in various capacities and is currently the President, Utilities and Services and the Occupier. His expertise includes engineering, project execution and power plant operations. He is also the Managing Director of Atul Biospace Ltd and Atul Rajasthan Date Palms Ltd, subsidiary companies of Atul Ltd.</p> <p>Mr Mohanan holds BSc (Engg) degree from the University of Calicut.</p>
Directorship in other companies	<p>Public companies:</p> <p>Aasthan Dates Ltd – Chairman</p> <p>Atul Biospace Ltd – Managing Director</p> <p>Atul Clean Energy Ltd – Chairman</p> <p>Atul Finserv Ltd</p> <p>Atul Middle East FZ-LLC</p> <p>Atul Rajasthan Date Palms Ltd – Managing Director</p> <p>Atul Seeds Ltd</p> <p>Biyaban Agri Ltd – Chairman</p> <p>DPD Ltd – Chairman</p> <p>Raja Dates Ltd – Chairman</p> <p>Private companies:</p> <p>Nil</p>
Membership in committees of other companies	<p>Member of committees:</p> <p>Atul Rajasthan Date Palms Ltd – Nomination and Remuneration Committee</p>
Relationship with other Directors	None
Number of shares held in the Company	5,800

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

The terms and conditions of the reappointment of Mr Mohanan are set out in the draft Agreement, which is placed before the meeting.

The material terms of the draft Agreement are as under:

01. Mr Mohanan will have responsibilities of overall supervision of Utilities and Services Unit. He will also discharge the responsibilities of the Occupier. In addition, he will also be responsible for any other duties as may be assigned to him by the Chairman and Managing Director and the Board.
02. Period of office of Mr Mohanan is 3 years effective January 01, 2017.
03. Remuneration payable to Mr Mohanan:
 - i) Basic Salary of ₹ 2,89,068/- per month which may be revised from time to time upto ₹ 4,39,636/- per month.
 - ii) Allowances | Benefits of ₹ 2,45,118/- per month which may be revised from time to time upto ₹ 3,72,794/- per month.
 - iii) Variable pay as per policy of the Company.

iv) Perquisites

- a. Housing: the Company will provide residential accommodation with water and electricity or pay House Rent Allowance as per its policy.
- b. Furnishing: the Company will provide furniture and fixtures as per its policy.
- c. Medical reimbursement: the Company will reimburse medical expenses incurred as per its policy.
- d. Leave travel assistance: the Company will provide leave travel assistance for self and family once in a year as per its policy.
- e. Personal accident insurance | Medical insurance: the Company will provide personal accident insurance and medical insurance as per its policy.
- f. Car: the Company will provide a car at its entire cost as per its policy.
- g. Car driver wages | Fuel | Maintenance: the Company will reimburse for car driver wages, fuel and maintenance as per its policy.
- h. Communication devices: the Company will provide a landline telephone at his residence and mobile telephone as per its policy.

v) Retirals

- a. The Company will contribute towards Provident Fund and Superannuation Fund as per its policy.
- b. The Company will pay Gratuity as per its policy. The period worked under this contract will be in continuum of the service already considered under the policy.
- c. The Company will grant leaves and allow encashment of leaves not availed, as per its policy.

- 04. Mr Mohanan will not be entitled to sitting fees for attending meetings of the Board and | or Committees thereof. He will, however, be reimbursed the actual travelling, lodging, boarding and out of pocket expenses incurred by him for attending meetings of the Board or Committees thereof.
- 05. The remuneration referred in Clause 03 and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under the applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Mohanan will be paid remuneration within the limit of minimum remuneration specified in Schedule V to the Companies Act, 2013.
- 06. Mr Mohanan will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.
- 07. Mr Mohanan may resign office subject to 6 months' notice.
- 08. Mr Mohanan will be entitled to compensation in accordance with the applicable provisions of the Companies Act, 2013, in the event of termination of office.
- 09. In the event of any dispute or difference arising out of this Agreement between the parties, such dispute or difference will be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory modification or substitute thereof and all the provisions of that Act so far as are applicable or of any of them for the time being in force will apply to every reference thereof. The venue of the arbitration will be Courts at Valsad only.
- 10. Both the parties agree for exclusive jurisdiction of Courts at Valsad only.

The Board considers that his association will be of immense benefit to the Company. Accordingly, the Board recommends the Resolution in relation to reappointment of Mr Mohanan as a Whole-time Director for 3 years, for the approval by the Members.

Memorandum of interest

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

Item number 07

In pursuance of Section 148(3) of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the appointment of the Cost Auditors and their remuneration as recommended by the Audit Committee requires approval by the Board of Directors (Board). The remuneration also requires ratification by the Members.

On the recommendation of the Audit Committee, the Board considered and approved appointment of the Cost Auditor, R Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Inorganic Chemicals, Organic Chemicals and their derivatives, Insecticides and Polymers at a remuneration of ₹ 2.24 lacs plus service tax as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2017.

The Board seeks ratification of the aforesaid remuneration by the Members and accordingly requests their approval of the Ordinary Resolution.

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

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380014, Gujarat
India
CIN: L99999GJ1975PLC002859
April 29, 2016

By order of the Board of Directors

(L P Patni)
Company Secretary and Chief Compliance Officer

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

Performance trend

(₹ cr)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04
Operating results													
Net sales	2,407	2,510	2,307	1,964	1,746	1,508	1,168	1,159	998	895	817	682	568
Revenue	2,505	2,571	2,405	2,022	1,792	1,553	1,204	1,196	1,033	925	837	710	604
PBIDT	478	391	362	268	203	194	143	124	97	85	78	68	56
Interest	26	24	31	32	43	26	26	41	33	28	29	22	22
PBDT ¹	452	367	331	236	160	168	117	83	64	57	49	46	34
Depreciation	62	55	54	49	44	39	37	32	29	31	29	27	27
PBT from operations ¹	390	312	277	187	116	129	80	51	35	26	20	19	7
Exceptional Non-recurring items	3	–	20 ²	5	6	10	–	(5)	3	–	63	–	–
PBT	393	312	297	192	122	139	80	46	38	26	83	19	7
Tax	125	95	84	56	34	43	27	10	3	1	(1)	3	5
Net profit	268	217	213	136	88	96	53	36	35	25	84	16	2
Dividend (including DDT) ³	36	30	26	21	16	16	14	10	10	10	10	7	5
Financial position													
Gross block ⁴	1,698	1,345	1,285	1,202	1,100	1,002	986	967	936	771	730	685	666
Net block ⁴	883	578	573	526	474	420	424	443	433	295	273	249	276
Other assets (net)	671	719	719	585	550	474	355	384	428	374	349	312	310
Capital employed	1,554	1,297	1,292	1,111	1,024	894	779	827	861	669	622	561	586
Equity share capital	30	30	30	30	30	30	30	30	30	30	30	30	30
Reserves and surplus	1,221	986	911	726	612	537	454	429	403	270	243	170	256
Shareholders' fund	1,251	1,016	941	756	642	567	484	459	433	300	273	200	286
Borrowings	303	281	351	355	382	327	295	368	428	369	349	361	300
Per Equity share (₹)													
Dividend	10.00	8.50	7.50	6.00	4.50	4.50	4.00	3.00	3.00	3.00	3.00	2.00	1.50
Book value	422	343	317	255	216	191	163	155	146	101	92	67	96
Earning	90.37	73.30	71.74	45.69	29.70	30.34	19.15	12.77	12.35	9.98	28.00	6.07	0.67
Key indicators													
PBIDT %	19.86	15.58	15.69	13.65	11.63	12.86	12.24	10.70	9.72	9.50	9.55	9.97	9.86
PBDT %	18.78	14.62	14.35	12.02	9.16	11.14	10.02	7.16	6.41	6.37	6.00	6.74	5.99
PBT %	16.20	12.43	12.01	9.52	6.64	8.55	6.85	4.40	3.51	2.91	2.45	2.79	1.23
Employee cost %	7.15	6.14	6.07	6.52	6.70	6.76	8.82	7.85	8.12	8.04	10.40	9.97	13.56
Interest cost %	1.08	0.96	1.34	1.63	2.46	1.72	2.23	3.54	3.31	3.13	3.55	3.23	3.87
Debt-Equity ratio	0.24	0.28	0.37	0.47	0.60	0.58	0.61	0.80	0.99	1.23	1.28	1.81	1.05
Interest coverage ratio	18.38	16.29	11.68	8.38	4.72	7.46	5.50	3.02	2.94	3.04	2.69	3.09	2.55
Asset turnover ratio ⁵	1.58	2.02	1.87	1.70	1.67	1.55	1.20	1.22	1.14	1.25	1.19	1.02	0.87
RoCE % ¹	30.95	26.76	26.04	21.04	16.93	18.46	13.09	11.19	9.42	8.81	8.41	6.98	4.88
RoNW % ¹	23.38	22.18	23.45	18.74	13.56	16.37	11.24	8.95	8.80	8.73	8.56	6.58	0.70
Payment to the exchequer	329	305	267	212	191	167	99	101	98	99	82	70	56

Notes:

¹ Excluding exceptional items | ² Relates to one-time dividend received, grouped as revenue but excluded from PBIDT above | ³ Dividend distribution tax |

⁴ Including capital work-in-progress | ⁵ Excluding capital work-in-progress.

Figures for the year prior to 2010-11 are as per old Schedule VI of the Companies Act, 1956.

Financial Statements

Standalone

82	Independent Auditors' Report
88	Balance Sheet
89	Statement of Profit and Loss
90	Cash Flow Statement
92	Notes

Consolidated

125	Independent Auditors' Report
128	Balance Sheet
129	Statement of Profit and Loss
130	Cash Flow Statement
132	Notes

Independent Auditors' Report

To the Members of Atul Ltd

Report on the Standalone Financial Statements

01. We have audited the accompanying Standalone Financial Statements of Atul Ltd ('Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant Accounting Policies and other explanatory information.

Management's responsibility for the Standalone Financial Statements

02. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('Act') with respect to the preparation of these Standalone Financial Statements to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

03. Our responsibility is to express an opinion on these Standalone Financial Statements based on our audit.

04. We have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the Audit Report.

05. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. These Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

06. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the preparation of the Financial Statements of the Company that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Directors of the Company, as well as evaluating the overall presentation of the Financial Statements.

07. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Opinion

08. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its profit and its cash flows for the year ended on that date.

Report on other legal and regulatory requirements

09. As required by 'the Companies (Auditor's Report) Order, 2016', issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act (hereinafter referred to as the 'Order'), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure B a statement on

the matters specified in paragraphs 3 and 4 of the Order.

10. As required by Section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the Directors as on March 31, 2016 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 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;

g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

- i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2016 on its financial position in its Standalone Financial Statements;
- ii) The Company has made provision as at March 31, 2016, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2016.

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

Mumbai
April 29, 2016

S Venkatesh
Partner
Membership Number: 037942

Annexure A to the Independent Auditors' Report

Referred to in paragraph 10(f) of the Independent Auditors' Report of even date to the Members of Atul Ltd on the Standalone Financial Statements for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the Internal Financial Controls over financial reporting of Atul Ltd ('Company') as of March 31, 2016 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Management of the Company is responsible for establishing and maintaining Internal Financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Internal Financial Controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ('Guidance Note') and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Act to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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.

4. 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.
5. 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

6. 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. The 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 the 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 the 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

7. Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper override of controls by the Management, 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

8. In our opinion, 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, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Mumbai

April 29, 2016

Membership Number: 037942

Annexure B to the Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the Members of Atul Ltd on the Standalone Financial Statements as of and for the year ended March 31, 2016.

01. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets are physically verified by the Management according to a phased program designed to cover all the items over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
 - c) The title deeds of immovable properties other than self-constructed immovable property (buildings), as disclosed in fixed assets to the Financial Statements, are held in the name of the Company, except for the following leasehold land:
 - GIDC Plot No 297 and 297/1 at Ankleshwar in the name of the erstwhile Gujarat Aromatics Limited which by virtue of the Hon'ble Gujarat High Court Order dated July 29, 1988 vests in the name of the Atul Limited. Formalities for change of name from Gujarat Aromatics Limited to Atul Limited are in progress.
02. The inventory physical verification (excluding stocks with third parties) has been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
03. The Company has granted unsecured loan to a wholly owned subsidiary company and an interest free unsecured loan to an associate company [Pursuant to an Order of the Board for Industrial and Financial Reconstruction] covered in the register maintained under Section 189 of the Act. The Company has not granted any loan, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the said register.
 - a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the interest of the Company.
 - b) In respect of the aforesaid loans, the schedule of repayment of principal and payment of interest (where ever applicable) has been stipulated, and the parties are repaying the principal amounts as stipulated and are also regular in payment of interest as applicable.
 - c) In respect of the aforesaid loans, there is no amount which is overdue for more than ninety days.
04. In our opinion, and according to the information and explanations given to us, the Company has not granted any loans or provided any guarantees or security in respect of any loans to any party covered under the Section 185 of the Act. In respect of loans granted to, guarantees or security in respect of any loan and Investments made in body corporates by the Company, the provisions of Section 186 of the Act has been complied with. The Company has given an interest free loan of ₹ 14.88 cr to an associate company pursuant to the Order of the Board for Industrial and Financial Reconstruction. (refer Note 28.10)
05. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
06. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
07. a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
 - b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, service tax and value added tax which have not been deposited on account of any dispute. The particulars of dues of Income tax, duty of customs and duty of excise as at March 31, 2016 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ cr) ¹	Period to which the amount relates	Forum where the dispute is pending ²
Central Excise Act, 1944	Excise and service tax	0.93	1986 to 2014	Commissioner (Appeals)
		4.99	1992 to 2011	Customs, Excise and Service Tax Appellate Tribunal
		3.53	1993-94	High Court
Customs Act, 1962	Customs duty	1.76	1997-98	Customs, Excise and Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	1.83	2007-08, 2009-11	Commissioner of Income Tax (Appeals)

¹ Net of amounts deposited. | ² Necessary stay received from respective authorities.

08. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the Balance Sheet date.
09. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
10. During the course of our examination of the books and records of the Company, carried out in accordance with the Generally Accepted Auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
11. The Company has paid | provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
13. According to the information and explanations given to us, all transactions with Related Party are in compliance with the provisions of Section 177 and Section 188 of the Act, where applicable. The details of the Related Party Transactions have been disclosed in the Financial Statements as required under Accounting Standard (AS) 18, Related Party Disclosures specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh
Partner

Mumbai
April 29, 2016

Membership Number: 037942

Balance Sheet as at March 31, 2016

(₹ cr)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	2	29.68	29.68
b) Reserves and surplus	3	1,221.21	986.10
		1,250.89	1,015.78
2 Non-current liabilities			
a) Long-term borrowings	4	21.47	54.08
b) Deferred tax liabilities (net)	5	66.88	44.41
c) Other long-term liabilities	6	24.50	20.13
d) Long-term provisions	7	17.23	15.86
		130.08	134.48
3 Current liabilities			
a) Short-term borrowings	8	247.39	164.14
b) Trade payables	9		
Total outstanding dues of			
i) Micro enterprises and small enterprises		2.03	1.65
ii) Creditors other than micro enterprises and small enterprises		289.58	260.98
c) Other current liabilities	10	121.52	142.22
d) Short-term provisions	11	42.70	42.56
		703.22	611.55
		2,084.19	1,761.81
II ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible assets	12	713.00	474.05
ii) Intangible assets	12	0.12	0.21
iii) Capital work-in-progress		169.66	104.08
		882.78	578.34
b) Non-current investments	13	144.56	148.82
c) Long-term loans and advances	14	42.19	44.82
d) Other non-current assets	15	57.04	54.13
		1,126.57	826.11
2 Current assets			
a) Inventories	16	374.18	349.65
b) Trade receivables	17	420.12	439.19
c) Cash and bank balances	18	5.18	6.29
d) Short-term loans and advances	19	126.50	115.59
e) Other current assets	20	31.64	24.98
		957.62	935.70
		2,084.19	1,761.81
Significant Accounting Policies	1		

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

T R Gopi Kannan

Whole-time Director and CFO

L P Patni

Company Secretary

B N Mohanan

Whole-time Director
and President - U&S

R A Shah

S S Bajjal

B S Mehta

H S Shah

S M Datta

V S Rangan

M M Chitale

S A Panse

B R Arora

Directors

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 29, 2016

Mumbai
April 29, 2016

Statement of Profit and Loss for the year ended March 31, 2016



(₹ cr)

Particulars	Note	2015-16	2014-15
REVENUE			
Revenue from operations (gross)	21	2,613.37	2,718.57
Less: Excise duty		154.47	162.92
Revenue from operations (net)		2,458.90	2,555.65
Other income	22	45.74	15.31
		2,504.64	2,570.96
EXPENSES			
Cost of materials consumed	23 (a)	1,234.05	1,333.22
Purchase of stock-in-trade	23 (c)	19.68	28.22
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(28.02)	16.12
Employee benefit expenses	25	172.19	153.85
Finance costs	26	25.84	23.64
Depreciation and amortisation expenses	12	61.69	55.28
Other expenses	27	628.85	648.52
		2,114.28	2,258.85
Profit before exceptional items and tax		390.36	312.11
Exceptional items	28.16	2.67	—
Profit before tax		393.03	312.11
Tax expense			
Current tax		102.50	80.50
Deferred tax		22.47	13.82
Tax adjustments		—	0.37
		124.97	94.69
Profit for the year		268.06	217.42
No. of Shares		29,661,733	29,661,733
Basic and diluted earning ₹ per Equity share of ₹ 10 each	28.7	90.37	73.30
Significant Accounting Policies	1		

The accompanying Notes form an integral part of the Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh
Partner
Membership Number: 037942

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director
and President - U&S

Mumbai
April 29, 2016

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 29, 2016

Cash Flow Statement for the year ended March 31, 2016

(₹ cr)

Particulars	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	393.03	312.11
Adjustments for:		
Add:		
Depreciation and amortisation expenses	61.69	55.28
Finance costs	25.84	23.64
Loss on assets sold or discarded	1.01	0.78
Unrealised exchange rate difference (net)	1.86	(4.53)
Bad debts and irrecoverable balances written off	1.55	1.75
Provision for doubtful debts	1.48	0.98
Adjustment in the carrying value of investment	7.71	–
Provision for diminution in value of investments	–	0.02
	101.14	77.92
	494.17	390.03
Less:		
Dividend received	21.02	2.10
Interest received	3.02	1.06
Provisions no longer required	6.31	1.62
Provisions for doubtful debt written back	0.24	0.68
Profit on sale of investment	0.03	–
Surplus on sale of fixed assets	1.27	1.39
	31.89	6.85
Operating profit before working capital changes	462.28	383.18
Adjustments for:		
Inventories	(24.53)	26.10
Trade receivables	15.35	9.01
Short-term loans and advances	(9.11)	(9.57)
Other current assets	(7.36)	5.20
Non-current assets	0.18	6.23
Long-term loans and advances	(0.09)	2.20
Long-term provisions	1.37	0.70
Trade payables	31.61	(53.60)
Other current liabilities	7.49	17.07
Other long-term liabilities	4.37	2.33
Short-term provisions	(1.67)	(0.16)
	17.61	5.51
Cash generated from operations	479.89	388.69
Less:		
Direct taxes net of refund	105.61	71.73
Net cash flow from operating activities	A 374.28	316.96

Cash Flow Statement for the year ended March 31, 2016

(continued)



(₹ cr)

Particulars	2015-16	2014-15
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(365.36)	(175.54)
Purchase of intangible assets	—	(0.29)
Capital advances	2.72	(17.24)
Investments in group companies	(9.94)	(12.37)
Investments in others companies	—	—
Proceeds from sale of investments	4.13	—
Proceeds from redemption of preference shares	2.40	—
Repayments (Disbursements) of loans	—	5.54
Long-term bank deposits	0.02	—
Short-term bank deposits	(0.02)	—
Sale of fixed assets	1.81	0.65
Interest received	2.99	1.05
Dividend received	20.93	2.10
Net cash used in investing activities	B (340.32)	(196.10)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(60.72)	(49.72)
Add: Exchange rate difference	(1.37)	(1.36)
Repayments of long-term borrowings (adjusted)	(62.09)	(51.08)
Repayments of short-term borrowings	81.45	(22.39)
Total repayments of borrowings	19.36	(73.47)
Payment of unclaimed dividend	(0.18)	(0.12)
Interest paid	(24.27)	(23.93)
Dividend on Equity shares (including dividend distribution tax)	(30.17)	(25.88)
Net cash used in financing activities	C (35.26)	(123.40)
Net change in cash and cash equivalents	A+B+C (1.30)	(2.54)
Opening balance - cash and cash equivalents	4.70	7.24
Closing balance - cash and cash equivalents	3.40	4.70

- The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 'Cash Flow Statements' notified under Section 211 (3C) {Companies (Accounting Standards) Rules, 2006, as amended} of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013.
- Cash flow from operating activities includes ₹ 5.31 cr (March 31, 2015 : ₹ 3.95 cr) being expenditure towards Corporate Social Responsibility.

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

T R Gopi Kannan

Whole-time Director and CFO

L P Patni

Company Secretary

B N Mohanan

Whole-time Director
and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 29, 2016

Mumbai

April 29, 2016

Notes to the Financial Statements

Note 1 Significant Accounting Policies

01. Basis of preparation:

The Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis except for certain buildings which are being carried at fair valued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 will continue to apply. The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. April 1, 2016. Consequently, the Financial Statements have been prepared to comply in all material aspects with the Accounting Standard notified under Section 211(3C) of the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013. The Accounting Policies which have been applied consistently, except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard required a change in the Accounting Policy hitherto in use, are set out below.

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 products 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.

02. Use of estimates:

The preparation of the Financial Statements in conformity with Generally Accepted Accounting Principles requires the Management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Financial Statements and the results of operations during the reporting period. These estimates are based on the evaluation of the relevant facts and circumstances as on the date of the Financial Statements by the Management, which may differ from future revisions and actual results in subsequent periods. Differences are adjusted in subsequent periods as they occur.

03. Fixed assets:

- a) Tangible assets:
 - i) Fixed assets other than ii) below are carried at cost of acquisition|construction including incidental expenses directly attributable to the acquisition|construction activity, as the case may be, less accumulated depreciation, amortisation and impairment as necessary.
 - ii) Assets received free of cost on premature cancellation of a Lease Agreement are valued at fair value at the time of receipt by credit to Capital reserve less accumulated depreciation and impairment as necessary.
 - iii) Spares specific to a machinery are carried at cost and allocated over the useful life of the asset.
 - iv) Capital work-in-progress is carried at accumulated cost incurred upto the date of the Financial Statements.
 - v) Expenditure incurred on cultivation of plantations upto the date, they become capable of bearing fruit are accumulated under 'Capital work-in-progress' and then capitalised as a fixed asset to be depreciated over their estimated economic life.
- b) Intangible assets:

Computer software includes enterprise resource planning project and other cost relating to software which provides significant future economic benefits. Costs comprise license fees and cost of system integration services.

04. Depreciation and amortisation expenses:

Depreciation:

- a) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets.
- b) Depreciation is calculated on a pro-rata basis from the date of acquisition | installation till the date the assets are sold or disposed of.

Note 1 Significant Accounting Policies (continued)

- c) Machinery spares which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged in the Statement of Profit and Loss, on issue for consumption.
- d) Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.
- e) Useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 are applied except following categories where the Management has estimated shorter useful lives for all asset categories:

Asset category	Useful life
Plant and machinery*	7 to 20 years
Vehicles *	6 to 10 years

*For the above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Amortisation

- a) Leasehold land is amortised on a straight-line basis over the period of lease.
- b) Computer Software cost is amortised over a period of 3 years using straight-line method.

05. Impairment of assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that the assets carrying amount does not exceeds the carrying amount that would have been determined if no impairment loss had previously been recognised.

06. Borrowing costs:

Borrowing costs in relation to acquisition and construction of qualifying assets are capitalised as part of cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which these are incurred. Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

07. Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Current investments not intended to be held for a period more than one year, are stated at lower of cost and fair value.

08. Inventories:

- a) Raw materials, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- b) Goods-in-transit and in bonded warehouse are stated at the cost to the date of Balance Sheet.
- c) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- d) Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

Notes to the Financial Statements

Note 1 Significant Accounting Policies (continued)

09. Foreign currency transactions:

- a) Initial recognition:
Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.
- b) Conversion:
At the year end, monetary items denominated in foreign currencies remaining unsettled are converted into Indian rupee equivalents at the year end exchange rates. 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.
- c) Exchange differences:
All exchange differences arising on settlement and conversion of foreign currency transactions are included in the Statement of Profit and Loss. The Company has opted to avail the option provided under paragraph 46A of Accounting Standard - 11 'The effects of changes in foreign exchange rates' inserted vide Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India. Consequently, foreign exchange difference on account of long-term foreign currency borrowings utilised to acquire a depreciable asset, is adjusted in the Cost of the depreciable asset, which will be depreciated over the balance life of the asset.
- d) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts intended to hedge existing exposures is amortised as expenses or income over the life of the contracts. Exchange differences on such contracts are being recognised in the Statement of Profit and Loss for the year. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.
- e) Derivatives:
Where the Company has entered into derivative contracts such as interest rate swaps, currency swaps and currency options, to hedge risk associated with the interest and foreign currency fluctuations relating to firm commitments where these exposures exist at the Balance Sheet date the hedging instruments are initially measured at fair value and are remeasured at subsequent reporting dates. The revalorisation gain or loss on Mark-to-Market (MTM) is generally recognised in the Statement of Profit and Loss each year. However, on account of option exercised as per (c) above MTM gains and losses on instruments intended to hedge long-term foreign currency borrowings utilised to acquire depreciable assets are recognised to offset foreign exchange fluctuation differences on such long-term foreign currency borrowings.
- f) Changes in fair value of derivative instruments intended to hedge future exposures resulting out of 'highly probable forecast transactions' such as exports, is determined as effective hedges of future cash flows, which are recognised directly under 'Hedging reserve' in Shareholders' funds and the ineffective portion, if any, is recognised immediately in the Statement of Profit and Loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time, for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Shareholders' funds is transferred to the Statement of Profit and Loss for the period.

10. Revenue recognition:

Revenue from sales are recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

- a) Sale of goods and services:
 - i) Domestic sales are recognised on dispatch from the point of sale, where property in goods are transferred to the buyer.

Note 1 Significant Accounting Policies (continued)

- ii) Export sales are recognised when significant risk and rewards are transferred to the buyer as per terms of contract.
- iii) Service income is recognised, net of service tax, when the related services are rendered.
- b) Other revenue:
 - i) Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.
 - ii) Lease rental income is recognised on accrual basis.
 - iii) Dividend income is accounted for in the year in which the right to receive the same is established.
 - iv) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

11. Provisions, contingent liabilities and contingent assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is not discounted to its present value and is determined based on the best estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but are disclosed in the Financial Statements. Contingent assets are neither recognised nor disclosed in the Financial Statements.

12. Research and Development expenditure:

Research and Development expenditure is charged to revenue under the respective heads of account in the year in which it is incurred. However, development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Research and Development expenditure on fixed assets is treated in the same way as expenditure on other fixed assets.

13. Employee benefits:

- a) Defined contribution plan:
Contribution paid | payable by the Company during the period to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labour Welfare Fund are recognised in the Statement of Profit and Loss.
- 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 so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss. 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.
Long-term leave encashment:
Long-term leave encashment is provided for on the basis of an actuarial valuation carried out at the end of the year on the projected unit credit method. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss.
Provident Fund:
Provident Fund for certain eligible employees is managed by the Company through the 'Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust' in line with Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund authorities. The contribution by the employer and employees together with the interest accumulated thereon are payable to the employees at the time of their retirement or separation from the Company, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability, with a corresponding charge to the Statement of Profit and Loss.

Notes to the Financial Statements

Note 1 Significant Accounting Policies (continued)

- c) Short-term leave encashment:
Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.
- d) Voluntary Retirement Scheme:
Compensation payable under the Voluntary Retirement Scheme is being charged to the Statement of Profit and Loss in the year of settlement.

14. Taxation:

- a) Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- b) MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax within the specified period.
- c) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.
- d) Deferred tax assets, representing unabsorbed depreciation or carried forward losses are recognised, if and only if there is virtual certainty supported by convincing evidence that there will be adequate future taxable income against which such deferred tax assets can be realised.

15. Government grants:

- a) Grants are recognised when there is reasonable assurance that the same will be received.
- b) Revenue grants for expenses incurred are reduced from the respective expenses.
- c) Capital grants relating to specific fixed assets are reduced from the cost of the respective fixed assets.
- d) Grants in the nature of promoters' contribution are credited to Capital reserve and treated as a part of Shareholders' funds.

16. Cash and cash equivalents:

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of 3 months or less.

17. Earning 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.

18. Leases:

As lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

As lessee:

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term in accordance with the respective Lease Agreement terms.

Notes to the Financial Statements

(₹ cr)

Note 2 Share capital		As at March 31, 2016	As at March 31, 2015
Authorised			
8,00,00,000 (8,00,00,000)	Equity shares of ₹ 10 each	80.00	80.00
80,00,000 (80,00,000)	Cumulative Redeemable Preference shares of ₹ 100 each	80.00	80.00
		160.00	160.00
Issued			
2,96,91,780 (2,96,91,780)	Equity shares of ₹ 10 each	29.69	29.69
		29.69	29.69
Subscribed			
2,96,61,733 (2,96,61,733)	Equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (29,991)	Add: Forfeited shares (amount paid-up)	0.02	0.02
		29.68	29.68

a) Rights, preferences and restrictions:

The Company has two classes of shares referred to as Equity shares having a par value of ₹ 10 and Cumulative Redeemable Preference shares having a par value of ₹ 100.

i) Equity shares:

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts and Preference shares. The distribution will be in proportion to the number of Equity shares held by the Shareholders. Each holder of Equity shares is entitled to one vote per share.

ii) Preference shares:

The Company has Preference shares having a par value of ₹ 100 per share. Each Shareholder is eligible for dividend depending upon their coupon rates. The Preference Shareholder is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the Preference shares.

iii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

b) Shares reserved for allotment at a later date:

56 Equity shares are held in abeyance due to disputes at the time of earlier rights issues.

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

No.	Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
		Holding %	Number of shares	Holding %	Number of shares
1	Aagam Holdings Pvt Ltd	22.92%	67,97,264	22.67%	67,25,501
2	Aura Securities Pvt Ltd	5.44%	16,14,045	5.44%	16,14,045
3	Aeon Investments Pvt Ltd	5.95%	17,64,383	5.95%	17,64,383

Notes to the Financial Statements

(₹ cr)

Note 3 Reserves and surplus	As at March 31, 2016	As at March 31, 2015
a) Capital reserve:		
Balance as at the beginning of the year	4.52	4.73
Less: Transferred to the General reserve *	0.22	0.21
Balance as at the end of the year	4.30	4.52
b) Securities premium account	34.66	34.66
c) Revaluation reserve:		
Balance as at the beginning of the year	—	102.40
Less: Reversed during year	—	102.40
Balance as at the end of the year	—	—
d) Hedging reserve {refer Note 28.9 (c)}:		
Balance as at the beginning of the year	0.11	1.54
Add: Transferred to the Statement of Profit and Loss	0.29	(1.54)
Less: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	1.10	(0.11)
Balance as at the end of the year	(0.70)	0.11
e) General reserve:		
Balance as at the beginning of the year	95.80	104.65
Less: Carrying amount of the assets (where the remaining useful life of assets is Nil) after retaining the residual value (net of deferred tax ₹ 4.80 cr)	—	9.06
Add: Transferred from Capital reserve *	0.22	0.21
Balance as at the end of the year	96.02	95.80
f) Surplus in the Statement of Profit and Loss:		
Balance as at the beginning of the year	851.01	663.93
Add: Profit for the year	268.06	217.42
Less: Proposed dividend on Equity shares for the year {at ₹ 10.00 per share (March 31, 2015 ₹ 8.50 per share)}	29.66	25.21
Dividend distribution tax on proposed dividend	6.04	5.13
Add: Excess provision of dividend distribution tax written back	3.56	—
Balance as at the end of the year	1,086.93	851.01
	1,221.21	986.10

* The fair value of the assets received free of cost in the past, was credited to 'Capital reserve'; it represents amount equivalent to the depreciation of the respective assets charged to the Statement of Profit and Loss.

(₹ cr)

Note 4 Long-term borrowings	Non-current		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Secured:				
i) Rupee term loan from a foreign financial institution	10.41	20.83	10.42	10.42
ii) Foreign currency term loans from banks	11.06	33.25	24.18	28.68
iii) Foreign currency term loan from a foreign financial institution	—	—	—	23.47
Unsecured:				
iv) Rupee term loans from a bank (Current year: ₹ 30,112)	—	—	—	0.14
	21.47	54.08	34.60	62.71
Amount disclosed under the head 'Other Current Liabilities' (refer Note 10)			(34.60)	(62.71)
	21.47	54.08	—	—

Note 4 Long-term borrowings (continued)

No.	Type of loan Nature of security	Terms of repayment
i)	Rupee term loan from a foreign financial institution amounting to ₹ 20.83 cr (Previous year: ₹ 31.25 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, both present and future.	15 equal half yearly installments beginning from January 14, 2011 along with interest ranging from 6.99% p.a. to 7.46% p.a. (balance installments payable - 4 of ₹ 5.21 cr each).
ii)	<p>a) Foreign currency term loan from a foreign bank amounting to ₹ 2.07 cr (Previous year: ₹ 9.77 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, both present and future.</p> <p>b) Foreign currency term loan from a bank amounting to ₹ 33.17 cr (Previous year: ₹ 52.16 cr) is secured by first <i>pari passu</i> charge on the entire movable and immovable fixed assets of the Company, both present and future.</p>	<p>16 equal quarterly installments beginning from July 31, 2012 along with interest @ 3 Month LIBOR + 225 bps p.a. (balance installments payable - 1 of ₹ 2.07 cr each).</p> <p>12 equal quarterly installments beginning from December 29, 2014 along with interest @ 3 Month LIBOR + 290 bps p.a. (balance installments payable - 6 of ₹ 5.53 cr each).</p>
iii)	Foreign currency loan from a foreign financial institution amounting to ₹ Nil (Previous year: ₹ 23.47 cr) is secured by first <i>pari passu</i> charge by way of hypothecation of all movable fixed assets and mortgage of immovable properties of the Company, present and future, excluding specific assets with exclusive charge and second charge on entire current assets of the Company, both present and future.	<p>Tranche 1:7 half yearly installments beginning from January 15, 2013 along with interest @ 6 Month LIBOR + 225 bps p.a.</p> <p>The loan was fully repaid during the year.</p> <p>Tranche 2:7 half yearly installments beginning from July 15, 2013 along with interest @ 6 Month LIBOR + 225 bps p.a.</p> <p>The loan was fully repaid during the year.</p>
iv)	<p>a) Unsecured rupee term loan from a bank amounting to ₹ 0.003 cr (Previous year: ₹ 0.03 cr).</p> <p>b) Unsecured rupee term loan from a bank amounting to ₹ Nil (Previous year: ₹ 0.11 cr).</p>	<p>20 equal quarterly installments beginning from November 30, 2011 along with interest @ Base rate + 1.5% p.a. (balance installments payable - 1 for ₹ 0.003 cr each).</p> <p>Quarterly installments beginning from December 01, 2012 along with interest @ Base rate + 1.5% p.a.</p> <p>The loan was fully repaid during the year..</p>

Notes to the Financial Statements

(₹ cr)

Note 5 Deferred tax liabilities (net)	As at March 31, 2016	As at March 31, 2015
Deferred tax liabilities:		
on account of timing difference in depreciation	76.08	53.54
	76.08	53.54
Deferred tax assets:		
on account of timing difference in		
a) Provision for leave encashment	7.81	7.40
b) Provision for doubtful debts	1.32	1.50
c) Provision for doubtful advances	0.07	0.07
d) Voluntary Retirement Scheme	–	0.16
	9.20	9.13
Deferred tax liabilities (net)	66.88	44.41

(₹ cr)

Note 6 Other long-term liabilities	As at March 31, 2016	As at March 31, 2015
Security deposits	24.50	20.13
	24.50	20.13

(₹ cr)

Note 7 Long-term provisions	As at March 31, 2016	As at March 31, 2015
Provision for leave entitlement	17.23	15.86
	17.23	15.86

(₹ cr)

Note 8 Short-term borrowings	As at March 31, 2016	As at March 31, 2015
a) Secured *		
Working capital loans repayable on demand from banks	76.90	51.61
b) Unsecured		
Loan from banks including foreign banks	53.07	12.52
Loan from Related Parties	10.50	–
c) Buyers' credit	6.91	–
d) Commercial papers	100.00	100.00
e) Deposit from the Directors	0.01	0.01
	247.39	164.14

* Security details:

Secured by hypothecation of tangible current assets, namely, inventories and book debts of the Company as a whole and also secured by second and subservient charge on immovable and movable assets of the Company to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letter of credits given by the bankers aggregating ₹ 65.03 cr (Previous year : ₹ 70.66 cr)

The maximum amount outstanding of commercial papers during the year was ₹ 200 cr (Previous year: ₹ 100 cr)

Notes to the Financial Statements

(₹ cr)

Note 9 Trade payables	As at March 31, 2016	As at March 31, 2015
a) Total outstanding dues of micro enterprises and small enterprises and (refer Note 28.13)	2.03	1.65
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	3.98	2.89
Others	285.60	258.09
	291.61	262.63

(₹ cr)

Note 10 Other current liabilities	As at March 31, 2016	As at March 31, 2015
a) Current maturities of long-term borrowings (refer Note 4)	34.60	62.71
b) Interest accrued but not due on borrowings	0.42	0.66
c) Unclaimed dividends*	1.44	1.27
d) Unclaimed matured deposits and interest thereon*	0.02	0.02
e) Advances received from customers	7.56	8.34
f) Employee benefits payable	35.04	31.63
g) Creditors for capital goods (refer Note 28.14)	17.95	8.82
h) Commission and discount payable	6.83	11.17
i) Statutory dues	12.20	14.54
j) Others	5.46	3.06
	121.52	142.22

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2016.

(₹ cr)

Note 11 Short-term provisions	As at March 31, 2016	As at March 31, 2015
a) Provision for leave entitlement	5.35	5.53
b) Others:		
Provision for taxation (net of tax paid in advance)	—	5.18
Proposed dividend {refer Note 3 (f)}	29.66	25.21
Dividend distribution tax on proposed dividend	6.04	5.13
Other provisions *	1.65	1.51
	42.70	42.56

(₹ cr)

*Movement of provision for effluent disposal	As at March 31, 2016	As at March 31, 2015
Balance as at the beginning of the year	1.29	0.90
Less: Utilised	(1.29)	(0.90)
Provision made during the year	1.65	1.29
Balance as at the end of the year	1.65	1.29

Notes to the Financial Statements

(₹ cr)

Note 12 Fixed assets										
	Tangible assets					Intangible assets			Total	
	Land - freehold ³	Land - leasehold ^{3, 6}	Buildings ^{2, 3}	Roads	Plant and equipment ^{4, 5}	Railway siding	Office equipment and furniture	Vehicles	Total tangible assets	Total intangible assets
Gross block¹										
As at April 01, 2014										
Additions	16.54	24.60	247.82	3.31	882.24	0.08	29.61	14.58	1,218.78	12.87
Other adjustments	(7.29)	—	18.28	0.11	105.07	—	0.02	1.66	125.14	0.29
Deductions and adjustments	—	(20.04)	(87.45)	—	2.14	—	—	—	(112.64)	—
	—	—	0.87	—	1.24	—	0.01	1.33	3.45	—
As at March 31, 2015	9.25	4.56	177.78	3.42	988.21	0.08	29.62	14.91	1,227.83	13.16
Additions	0.31	—	27.63	3.60	262.92	—	1.99	3.78	300.23	—
Other adjustments	—	—	—	—	1.87	—	—	—	1.87	—
Deductions and adjustments	—	—	—	—	12.24	—	—	2.38	14.62	—
As at March 31, 2016	9.56	4.56	205.41	7.02	1,240.76	0.08	31.61	16.31	1,515.31	13.16
Depreciation Amortisation Impairment										
Depreciation Amortisation										
Upto March 31, 2014										
For the year	—	2.26	71.64	1.36	573.34	0.08	20.29	9.19	678.16	12.87
Deductions and adjustments	—	0.04	10.03	1.27	54.44	—	1.58	1.70	69.06	0.08
	—	1.40	11.15	—	1.16	—	0.01	0.75	14.47	—
Upto March 31, 2015	—	0.90	70.52	2.63	626.62	0.08	21.86	10.14	732.75	12.95
For the year	—	0.05	6.24	0.44	51.46	—	1.90	1.51	61.60	0.09
Deductions and adjustments	—	—	—	—	11.24	—	—	1.83	13.07	—
Upto March 31, 2016	—	0.95	76.76	3.07	666.84	0.08	23.76	9.82	781.28	13.04
Impairment										
Impairment fund as at March 31, 2015	—	—	—	—	21.03	—	—	—	21.03	—
Upto March 31, 2015	—	—	—	—	21.03	—	—	—	21.03	—
Impairment fund as at March 31, 2016	—	—	—	—	21.03	—	—	—	21.03	—
Upto March 31, 2016	—	—	—	—	21.03	—	—	—	21.03	—
Net block										
Balance as at March 31, 2015	9.25	3.66	107.26	0.79	340.56	—	7.76	4.77	474.05	0.21
Balance as at March 31, 2016	9.56	3.61	128.65	3.95	552.89	—	7.85	6.49	713.00	0.12

Notes:

- At cost, except certain building premises which are stated at fair value.
- Includes premises on ownership basis ₹ 1.10 cr (Previous year: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (Previous year: ₹ 2,000).
- Pursuant to the order passed by Honourable High Court of Gujarat, dated November 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings in favour of Government of Gujarat and paid security deposit ₹ 2 cr (Previous year: ₹ 2 cr).
- Exchange rate difference capitalised during the year ₹ 1.87 cr (Previous year: ₹ 2.14 cr).
- Exchange rate difference which remains unamortised in accordance with the option exercised under Para 46A of Accounting Standard - 11 is ₹ 17.51 cr (Previous year: ₹ 17.18 cr).
- GIDC Plot No 297 | 1 at Ankleshwar are in the name of the erstwhile Gujarat Aromatics Ltd. By virtue of the Honourable High Court of Gujarat, order dated July 29, 1988 the plots vest in the name of the Atul Ltd. Formalities for change of name from Gujarat Aromatics Ltd to Atul Ltd are in progress.
- Break-up of depreciation for the year

(₹ cr)

Particulars	2015-16	2014-15
Depreciation Amortisation expenses for the year	61.69	69.14
Less: Transferred to the General reserve	—	13.86
Depreciation Amortisation expenses as per the Statement of Profit and Loss	61.69	55.28

Notes to the Financial Statements

(₹ cr)

Note 13 Non-current investments ¹			As at March 31, 2016		As at March 31, 2015
Long-term investments	Face value ²	Number of shares			
A. Trade Investments					
a) Quoted Equity instruments					
In associate company					
Amal Ltd (refer Note 28.13)	10	4,12,453	0.44		0.44
Less: Provision for diminution in value			0.40		0.40
				0.04	0.04
b) Unquoted Equity instruments					
In others					
Bharuch Enviro Infrastructure Ltd	10	70,000	0.07		0.07
Narmada Clean Tech Ltd	10	7,15,272	0.72		0.72
				0.79	0.79
In subsidiary companies - foreign					
Atul Brasil Quimicos Ltda	R\$ 1	7,04,711	2.03		2.03
Atul China Ltd	US\$ 4,10,000	1	1.84		1.84
Less: Provision for diminution in value			0.92		0.92
				0.92	0.92
Atul Deutschland GmbH	€ 100,000	1	0.55		0.55
Less: Provision for diminution in value			0.55		0.55
				—	—
Atul Europe Ltd (refer Note 28.15)	£ 1	32,88,911 (43,38,911)	24.14		31.85
Atul Middle East FZ-LLC	AED 1000	300 (—)	0.51		—
Atul USA Inc	US\$ 1,000	2,000	6.29		6.29
In subsidiary companies - domestic					
Aasthan Dates Ltd	10	20,98,000 (18,98,000)	2.10		1.90
Anchor Adhesives Pvt Ltd	10	5,86,155 (2,93,077)	2.28		1.47
Atul Bioscience Ltd	10	1,08,40,050 (79,90,050)	12.57		8.01
Atul Biospace Ltd	10	38,89,600 (37,09,600)	3.90		3.71
Atul Finserv Ltd	100	7,50,000	7.50		7.50
	7	5,00,000	5.00		5.00
Atul Infotech Pvt Ltd	10	— (42,770)	—		2.75
Atul Rajasthan Date Palms Ltd	1,000	30,001	3.00		3.00
Biyaban Agri Ltd	10	10,91,100 (10,41,100)	1.09		1.04
Gujarat Synthwood Ltd	10	4,00,000	0.65		0.65
Less: Provision for diminution in value			0.65		0.65
				—	—
Raja Dates Ltd	10	40,45,500 (32,45,500)	4.10		3.24
				75.43	78.71
In joint venture company					
Rudolf Atul Chemicals Ltd	10	29,18,750		6.13	6.13
In associate companies					
AtRo Ltd	10	50,004	0.02		0.05
Less: Provision for diminution in value			0.02		0.02
				—	0.03

Notes to the Financial Statements

(₹ cr)

Note 13 Non-current investments ¹ (continued)			As at March 31, 2016		As at March 31, 2015
Long-term investments	Face value ²	Number of shares			
c) Investments in Preference shares					
In subsidiary companies					
Atul Bioscience Ltd (6% Cumulative Redeemable Preference shares)	100	— (2,00,000)	—		2.00
Atul Bioscience Ltd (10% Cumulative Redeemable Preference shares)	100	— (40,400)	—		0.40
				—	2.40
In associate company					
Amal Ltd (0% Redeemable Preference shares) (refer Note 28.14)	10	1,00,00,000		10.00	10.00
B. Other than trade investments					
a) Quoted Equity instruments					
In others					
Arvind Infrastructure Ltd ³	10	4,12,747	—		—
Arvind Ltd	10	41,27,471	46.64		46.64
BASF India Ltd	10	2,61,396	0.84		0.84
ICICI Bank Ltd	2	99,115	0.14		0.14
Jain Irrigation Systems Ltd	2	4,200	0.02		0.02
Nagarjuna Oil Refinery Ltd ⁴	1	31,500	—		—
Novartis India Ltd	5	3,84,660	1.02		1.02
Pfizer Ltd	10	9,58,927	1.50		1.50
				50.16	50.16
b) Unquoted equity instruments					
In others					
Nagarjuna Fertilizers and Chemicals Ltd	1	34,650		0.04	0.04
c) Investments in Government or Trust securities					
6 Years National Savings Certificates (deposited with the Government departments)	88,000			0.01	0.01
				142.60	148.31
C. Share application money (Subsidiary company)				1.96	0.51
				144.56	148.82

Particulars	Book value as at March 31,		Market value as at March 31,	
	2016	2015	2016	2015
Quoted	50.20	50.20	338.81	376.99
Unquoted	92.40	98.11		
	142.60	148.31		
Aggregate provision for diminution	2.54	2.54		

¹ Valued at cost unless otherwise stated | ² In ₹ and fully paid unless otherwise stated

³ Received in terms of demerger scheme | ⁴ Due to restructuring of company

Notes to the Financial Statements

(₹ cr)

Note 14 Long-term loans and advances	As at March 31, 2016	As at March 31, 2015
a) Loans and advances to related parties: (refer Note 28.10 and 28.14)		
i) Secured, considered good	11.29	11.29
ii) Unsecured, considered good	7.89	7.89
b) Others:		
i) Capital advances	20.16	22.88
ii) Security deposits	2.85	2.76
	42.19	44.82

(₹ cr)

Note 15 Other non-current assets	As at March 31, 2016	As at March 31, 2015
a) Balance with bank in fixed deposits, with maturity beyond 12 months	–	0.02
b) Balance with the Government departments:		
Tax paid under protest	19.91	16.80
Tax paid in advance, net of provisions	3.11	–
VAT receivable	28.67	29.84
Security deposit (refer Note 12 ³)	2.00	2.00
Deposit paid under protest	0.98	–
c) Mark-to-Market gains on derivatives	2.37	5.47
	57.04	54.13

(₹ cr)

Note 16 Inventories*	As at March 31, 2016	As at March 31, 2015
a) Raw materials and packing materials	68.01	79.22
Add: Goods-in-transit	28.90	22.00
	96.91	101.22
b) Work-in-progress	113.64	107.13
c) Finished goods	127.48	109.05
d) Stock-in-trade	7.10	4.38
e) Stores, spares and fuel	27.41	20.74
Add: Goods-in-transit	1.64	7.13
	29.05	27.87
	374.18	349.65

* Goods-in-transit at cost to date and others at cost or net realisable value whichever is lower.

(₹ cr)

Details of inventory	As at March 31, 2016	As at March 31, 2015
a) Raw materials		
Life Science Chemicals	18.16	19.32
Performance and Other Chemicals	78.75	81.90
	96.91	101.22
b) Work-in-progress		
Life Science Chemicals	19.01	16.45
Performance and Other Chemicals	94.63	90.68
	113.64	107.13
c) Finished goods		
Life Science Chemicals	53.77	48.54
Performance and Other Chemicals	73.71	60.51
	127.48	109.05
d) Stock-in-trade		
Life Science Chemicals	6.56	3.42
Performance and Other Chemicals	0.54	0.96
	7.10	4.38

Notes to the Financial Statements

(₹ cr)

Note 17 Trade receivables	As at March 31, 2016	As at March 31, 2015
a) Trade receivables outstanding for more than 6 months from the date they became due for payment:		
i) Unsecured, considered good	4.68	3.10
ii) Doubtful	3.80	2.73
Less: Provision for doubtful debts	3.80	2.73
	—	—
	4.68	3.10
b) Others:		
i) Unsecured, considered good	415.44	436.09
	420.12	439.19

(₹ cr)

Note 18 Cash and bank balances	As at March 31, 2016	As at March 31, 2015
a) Cash and cash equivalents:		
i) Balances with banks		
In current accounts	3.31	4.62
ii) Cash on hand	0.09	0.08
	3.40	4.70
b) Other bank balances:		
Earmarked balances with banks		
i) Unclaimed dividend interest on public deposit	1.46	1.29
ii) Short-term bank deposits with original maturity between 3 to 12 months (including margin money deposits)	0.32	0.30
	1.78	1.59
	5.18	6.29

(₹ cr)

Note 19 Short-term loans and advances	As at March 31, 2016	As at March 31, 2015
Loans and advances, unsecured, considered good to:		
a) Related parties	0.17	4.13
b) Others:		
i) Advances recoverable in cash or kind	107.20	85.69
ii) Balances with statutory authorities	18.52	24.94
iii) Sundry deposits	0.61	0.83
	126.50	115.59

Notes to the Financial Statements

(₹ cr)

Note 20 Other current assets	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
a) Export incentive receivable	27.87	21.53
b) Mark-to-Market gains on derivatives	3.55	3.34
c) Interest and dividend receivable	0.22	0.11
d) Sundry receivable		
Doubtful	0.19	0.19
Less: Provision for doubtful receivable	0.19	0.19
	–	–
	31.64	24.98

(₹ cr)

Note 21 Revenue from operations	2015-16	2014-15
Sale of products	2,561.69	2,673.34
Sale of services	–	0.90
Other operating revenue:		
Export incentives	37.98	34.38
Scrap sales	5.40	5.36
Processing charges	8.30	4.59
	2,613.37	2,718.57
Less: Excise duty	154.47	162.92
	2,458.90	2,555.65

(₹ cr)

Details of revenue	2015-16	2014-15
Sale of products		
Life Science Chemicals	793.51	725.32
Performance and Other Chemicals	1,768.18	1,948.02
	2,561.69	2,673.34

(₹ cr)

Note 22 Other income	2015-16	2014-15
Dividend on long-term investments	3.37	1.96
Dividend from subsidiary on long-term investments	7.19	–
Dividend on short-term investments	0.08	0.14
Interest from inter company deposits	–	0.34
Interest from others	3.02	0.72
Lease income	0.20	0.20
Provisions no longer required	6.31	1.62
Provisions for doubtful debts written back	0.24	0.68
Surplus on sale of fixed assets	1.27	1.39
Profit on sale of long-term investment	0.03	–
Exchange rate difference gain (net)	5.21	1.84
Miscellaneous income	18.82	6.42
	45.74	15.31

Notes to the Financial Statements

Note 23 Details of materials consumed and goods traded in

a) Cost of materials consumed: (₹ cr)

Category	2015-16	2014-15
Organic chemicals	763.21	863.31
Inorganic chemicals and others	398.02	396.34
Packing materials	72.82	73.57
	1,234.05	1,333.22

b) Imported and indigenous raw materials and packing materials consumption: (₹ cr)

Category	2015-16		2014-15	
	₹ cr	%	₹ cr	%
Imported	348.48	28%	369.73	28%
Indigenous	885.57	72%	963.49	72%
	1,234.05	100%	1,333.22	100%

c) Purchases of stock-in-trade: (₹ cr)

Category	2015-16	2014-15
Organic chemicals	18.12	23.23
Inorganic chemicals and others	1.56	4.99
	19.68	28.22

Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2015-16	2014-15
Stocks at close		
Finished goods	127.48	109.05
Work-in-progress	113.64	107.13
Stock-in-trade	7.10	4.38
	248.22	220.56
Less: Stocks at commencement		
Finished goods	109.05	131.95
Work-in-progress	107.13	102.70
Stock-in-trade	4.38	3.01
	220.56	237.66
	(27.66)	17.10
Excise duty variation on opening closing stocks of finished goods	(0.36)	(0.98)
(Increase) Decrease in inventories	(28.02)	16.12

Note 25 Employee benefit expenses	2015-16	2014-15
Salaries, wages and bonus	151.89	137.66
Contribution to Provident and other funds (refer Note 28.11)	14.31	11.23
Staff welfare	5.99	4.96
	172.19	153.85

Notes to the Financial Statements

(₹ cr)

Note 26 Finance costs	2015-16	2014-15
Interest on borrowings	20.29	20.98
Interest on others	2.08	1.92
Other borrowings cost	0.67	0.74
Applicable exchange difference to the extent considered as an adjustment to borrowing cost	2.80	–
	25.84	23.64

(₹ cr)

Note 27 Other expenses	2015-16	2014-15
Consumption of stores and spares	38.42	39.23
Power, fuel and water	263.32	294.42
Conversion and plant operation charges	36.63	34.97
Building repairs	19.45	17.15
Plant and equipment repairs	58.80	57.70
Sundry repairs	7.12	6.85
Rent	2.18	1.88
Rates and taxes	1.25	1.42
Insurance	6.33	5.06
Freight, cartage and octroi	61.81	70.62
Discount and commission	18.92	20.57
Travelling and conveyance	14.76	13.38
Payments to the Statutory Auditors		
a) Audit fees	0.33	0.33
b) Other matters	0.18	0.11
c) Out of pocket expenses	0.01	0.01
Payments to the Cost Auditors		
a) Audit fees	0.02	0.02
b) Out of pocket expenses (Current year: ₹ 21,315 and Previous year: ₹ 11,859)		
Directors' fees and travelling	0.18	0.22
Directors' commission (other than the Executive Directors)	0.83	0.64
Manpower services	33.43	26.58
Bad debts and irrecoverable balances written off	1.55	1.75
Provision for doubtful debts	1.48	0.98
Provision for diminution in value of investment	–	0.02
Loss on assets sold, discarded or demolished	1.01	0.78
Corporate Social Responsibility (refer Note no 28.15)	5.31	3.95
Miscellaneous expenses	55.53	49.88
	628.85	648.52

Consumption of stores and spares:

Category	2015-16		2014-15	
	₹ cr	%	₹ cr	%
Imported	13.33	35%	13.01	33%
Indigenous	25.09	65%	26.22	67%
	38.42	100%	39.23	100%

Notes to the Financial Statements

(₹ cr)

Note 28.1 Contingent liabilities	As at March 31, 2016	As at March 31, 2015
i) Claims against the Company not acknowledged as debts in respects of:		
a) Excise	7.70	7.25
b) Income tax	7.52	8.33
c) Sales tax	0.67	0.67
d) Customs	0.18	0.18
e) Water charges	89.65	79.84
f) Others	14.42	14.93
g) In respect of a customer claim amounting to ₹ 32.35 cr, the Company, based on a legal opinion, believes that the claim will not sustain. Note: Future cash outflows in respect of (a) to (g) above are determinable on receipt of judgements decisions pending with various forums authorities.		
ii) Guarantees given by the Company: Corporate guarantee to a bank on behalf of a subsidiary company for facilities availed by it	–	9.25

(₹ cr)

Note 28.2 Commitments	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	44.96	121.86

Note 28.3 Research and Development

Details of expenditure incurred on in-house Research and Development facilities approved by the Department of Scientific and Industrial Research, Ministry of Science and Technology, Government of India under Section 35 (2AB) of Income tax Act, 1961.

(₹ cr)

Particulars	2015-16	2014-15
Capital expenditure	1.32	1.59
Recurring expenditure	18.16	17.94
	19.48	19.53

(₹ cr)

Note 28.4 CIF value of import, expenditure, remittances and earnings in foreign currency	2015-16	2014-15
a) CIF value of imports:		
Raw materials	351.05	371.05
Trading finished goods	6.79	15.91
Capital goods	15.67	5.83
b) Expenditure in foreign currency:		
Commission	3.87	3.04
Legal and professional charges	0.03	0.03
Finance costs	4.18	4.68
Other matters	11.10	10.84
c) Other remittances:		
Loan repayments	132.58	64.35
d) Earnings in foreign currency:		
FOB value of exports	1,148.03	1,163.41
Dividend income	15.69	–
Others	8.79	–

Notes to the Financial Statements

Note 28.5 (A) Related Party information		
Name of the Related Party and nature of relationship		
No.	Name of the Related Party	Description of relationship
01	Aasthan Dates Ltd	Subsidiary companies
02	Anchor Adhesvies Pvt Ltd	
03	Atul Bioscience Ltd	
04	Atul Biospace Ltd	
05	Atul Brasil Quimicos Ltda	
06	Atul China Ltd	
07	Atul Deutschland GmbH	
08	Atul Europe Ltd	
09	Atul Finserv Ltd	
10	Atul Infotech Pvt Ltd*	
11	Atul Middle East FZ-LLC	
12	Atul Rajasthan Date Palms Ltd*	
13	Atul USA Inc	
14	Biyaban Agri Ltd	
15	DPD Ltd*	
16	Gujarat Synthwood Ltd	
17	Raja Dates Ltd	
	Other Related Parties with whom transactions have taken place during the year	
18	Rudolf Atul Chemicals Ltd	Joint venture company
19	Amal Ltd	Associate companies
20	Atul Ayurveda Ltd	
21	Atul Crop Care Ltd*	
22	Atul Entertainment Ltd	
23	Atul Hospitality Ltd	
24	Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd)	
25	Atul Seeds Ltd	
26	Jayati Infrastructure Ltd	
27	Lapox Polymers Ltd*	
28	Osia Dairy Ltd	
29	Samveg Agencies Pvt Ltd	Enterprise over which control exercised by Key Management Personnel
30	Aagam Holdings Pvt Ltd	
31	Key Management Personnel S S Lalbhai S A Lalbhai B N Mohanan T R Gopi Kannan	Chairman and Managing Director Managing Director Whole-time Director and President - U&S Whole-time Director and CFO
32	Relatives of Key Management Personnel Saumya S Lalbhai Nishtha S Lalbhai	Son of S A Lalbhai Daughter of S S Lalbhai
33	Welfare funds Atul Foundation Trust Atul Kelavani Mandal Atul Rural Development Fund Atul Vidyalaya	Organisations over which significant influence exercised
*Investments held through subsidiary companies.		

Notes to the Financial Statements

(₹ cr)

Note 28.5 (B) Transactions with subsidiary companies		2015-16	2014-15
Sales and income			
1	Sale of goods	345.30	429.82
	Atul Bioscience Ltd	21.67	21.82
	Atul Biospace Ltd	3.77	4.15
	Atul China Ltd	20.91	65.59
	Atul Europe Ltd	114.07	156.49
	Atul Middle East FZ-LLC	1.24	–
	Atul USA Inc	183.64	181.77
2	Service charges received	1.26	1.01
	Atul Bioscience Ltd	1.16	1.01
	Atul Finserv Ltd	0.10	–
3	Interest received	0.42	0.85
	Atul Bioscience Ltd	0.42	0.51
	Atul Finserv Ltd	–	0.34
4	Lease rent received		
	Atul Bioscience Ltd (Current year: ₹ 3,935 and Previous year: ₹ 3,935) *		
Purchases and expenses			
1	Purchase of goods	6.46	7.11
	Atul Bioscience Ltd	0.07	0.76
	Atul Europe Ltd	–	1.60
	Atul USA Inc	3.28	0.49
	DPD Ltd	3.11	4.26
2	Purchase of capital goods	0.03	–
	Atul Bioscience Ltd	0.03	–
3	Service charges	3.22	4.53
	Atul Bioscience Ltd	0.30	1.90
	Atul Finserv Ltd	0.61	0.59
	Atul Infotech Pvt Ltd	2.31	2.04
4	Commission	2.27	2.68
	Atul China Ltd	1.01	0.49
	Atul Europe Ltd	0.98	1.97
	Atul USA Inc	0.28	0.22
5	Discount	0.91	0.74
	Atul USA Inc	0.91	0.74
6	Reimbursements	4.44	6.95
	Atul Bioscience Ltd	0.02	0.02
	Atul China Ltd	0.11	0.27
	Atul Europe Ltd	1.25	1.71
	Atul Finserv Ltd	1.03	0.83
	Atul Infotech Pvt Ltd (Current year: ₹ 16,385)		–
	Atul Middle East FZ-LLC	0.01	–
	Atul USA Inc	2.01	4.11
	DPD Ltd	0.01	0.01

*Under lease agreement valid from October 31, 1979 to November 30, 2059

Notes to the Financial Statements

		(₹ cr)	
Note 28.5 (B) Transactions with subsidiary companies (continued)		2015-16	2014-15
	Other transactions		
01	Repayment of loan given	—	4.12
	Atul Finserv Ltd	—	4.12
02	Direct investments made in Equity shares	8.18	11.86
	Aasthan Dates Ltd	0.15	0.39
	Anchor Adhesives Pvt Ltd	0.81	—
	Atul Bioscience Ltd	4.56	—
	Atul Biospace Ltd	—	0.30
	Atul Finserv Ltd	—	7.50
	Atul Infotech Pvt Ltd	1.35	2.75
	Atul Middle East FZ-LLC	0.51	—
	Biyaban Agri Ltd	—	0.30
	Raja Dates Ltd	0.80	0.62
03	Share application money	1.96	0.51
	Atul Middle East FZ-LLC	—	0.51
	Atul Biospace Ltd	1.96	—
04	Reimbursement received	8.92	0.03
	Atul Bioscience Ltd	—	0.01
	Atul Infotech Pvt Ltd	0.01	0.02
	Atul Middle East FZ-LLC	0.12	—
	Atul USA Inc	8.79	—
05	Redemption of Preference shares	2.40	—
	Atul Bioscience Ltd	2.40	—
06	Dividend received	17.57	—
	Atul Bioscience Ltd	1.88	—
	Atul Europe Ltd	15.69	—
07	Purchase of investment in Equity shares of Aasthan Dates Ltd	0.05	—
	Atul Biospace Ltd	0.05	—
	Atul Finserv Ltd (Current year: ₹ 10)	—	—
	Atul Infotech Pvt Ltd (Current year: ₹ 10)	—	—
08	Purchase of investment in Equity shares of Atul Biospace Ltd	0.03	—
	Atul Finserv Ltd	0.01	—
	Atul Infotech Pvt Ltd	0.02	—
09	Purchase of investment in Equity shares of Biyaban Agri Ltd	0.05	—
	Atul Biospace Ltd	0.05	—
	Atul Finserv Ltd (Current year: ₹ 10)	—	—
	Atul Infotech Pvt Ltd (Current year: ₹ 10)	—	—
10	Purchase of investment in Equity shares of Raja Dates Ltd	0.05	—
	Atul Biospace Ltd	0.05	—
	Atul Finserv Ltd (Current year: ₹ 10)	—	—
	Atul Infotech Pvt Ltd (Current year: ₹ 10)	—	—
11	Sales of investment in Equity shares of Atul Infotech Pvt Ltd	4.13	—
	Atul Biospace Ltd	2.06	—
	Atul Finserv Ltd	2.07	—

Notes to the Financial Statements

(₹ cr)

Note 28.5 (B) Transactions with subsidiary companies (continued)		2015-16	2014-15
Outstanding balances as at year end			
1	Loans receivable	4.30	4.30
	Atul Bioscience Ltd	4.30	4.30
2	Deposit receivable	2.14	2.14
	Atul Infotech Pvt Ltd	2.14	2.14
3	Receivables	48.18	91.67
	Atul Bioscience Ltd	6.17	3.30
	Atul Biospace Ltd	0.54	0.03
	Atul China Ltd	1.94	13.31
	Atul Europe Ltd	3.36	27.75
	Atul Infotech Pvt. Ltd (Current year: ₹ 43,173)		0.05
	Atul Middle East FZ-LLC	0.88	–
	Atul USA Inc	35.29	47.23
4	Payables	6.42	7.40
	Atul Bioscience Ltd	0.23	0.12
	Atul China Ltd	0.19	0.34
	Atul Europe Ltd	0.96	1.16
	Atul Finserv Ltd ¹	2.88	4.23
	Atul Infotech Pvt Ltd	0.07	–
	Atul Middle East FZ-LLC	0.01	–
	Atul Rajasthan Date Palms Ltd (Previous year: ₹ 28,597)	–	
	Atul USA Inc	1.31	1.52
	DPD Ltd	0.77	0.03

¹ Includes acceptances for bills discounted by third parties.

(₹ cr)

Note 28.5 (C) Transactions with joint venture company		2015-16	2014-15
Sales and income			
1	Sale of goods	3.27	3.29
2	Service charges received	4.25	3.08
3	Lease rent received	0.20	0.20
Purchases and expenses			
1	Purchase of goods	0.14	0.08
Other transactions			
1	Dividend received	0.58	–
2	Interest paid of loan	0.61	0.33
3	Inter corporate deposits taken	11.50	5.50
4	Repayment of inter corporate deposits taken	1.00	5.50
5	Reimbursement received	0.87	0.79
6	Repayment of security deposit	–	0.20
Outstanding balances as at year end			
1	Inter corporate deposits payable	10.50	–
2	Interest payable on inter corporate deposits	0.03	–
3	Receivables	1.71	1.12
4	Refundable security deposit	2.80	2.80
5	Payables (Previous year: ₹ 31,299)	0.02	–
All above balances are with Rudolf Atul Chemicals Ltd.			

Notes to the Financial Statements

(₹ cr)

Note 28.5 (D) Transactions with associate companies		2015-16	2014-15
Sales and income			
1	Sale of goods	—	
	Amal Ltd (Previous year: ₹ 26,100)	—	
2	Service charges received	0.29	0.21
	Amal Ltd	0.20	0.21
	Atul Crop Care Ltd	0.07	—
	Lapox Polymers Ltd	0.02	—
3	Lease rent received		
	Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000) ¹		
Purchases and expenses			
1	Purchase of goods	19.11	15.33
	Amal Ltd	19.11	15.33
2	Service charges	12.22	10.48
	Amal Ltd	—	0.10
	Atul Crop Care Ltd	6.80	5.94
	Lapox Polymers Ltd	5.42	4.44
3	Reimbursements	4.69	4.12
	Amal Ltd	0.01	—
	Atul Crop Care Ltd	2.86	2.72
	Lapox Polymers Ltd	1.82	1.40
Other transactions			
1	Reimbursement received		
	Amal Ltd (Current year: ₹ 11,985)		
	Atul Crop Care Ltd (Previous year: ₹ 18,353)	—	—
2	Purchase of investment in Equity shares of Atul Biospace Ltd	0.15	—
	Atul Ayurveda Ltd	0.02	—
	Atul Crop Care Ltd	0.02	—
	Atul Entertainment Ltd	0.02	—
	Atul Hospitality Ltd	0.02	—
	Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd)	0.02	—
	Atul Seeds Ltd	0.01	—
	Jayati Infrastructure Ltd	0.02	—
	Osia Dairy Ltd	0.02	—
3	Purchase of investment in Equity shares of Anchor Adhesives Pvt Ltd		—
	Atul Crop Care Ltd (Current year: ₹ 28,630)		—
	Lapox Polymers Ltd (Current year: ₹ 30,000)		—
4	Purchase of investment in Equity shares of Aasthan Dates Ltd		—
	Lapox Polymers Ltd (Current year: ₹ 10)		—
5	Purchase of investment in Equity shares of Biyaban Agri Ltd		—
	Lapox Polymers Ltd (Current year: ₹ 10)		—
6	Purchase of investment in Equity shares of Raja Dates Ltd		—
	Lapox Polymers Ltd (Current year: ₹ 10)		—
Outstanding balances as at year end			
1	Loan receivable	14.88	14.88
	Amal Ltd ²	14.88	14.88
2	Receivables	1.12	5.41
	Amal Ltd	1.11	5.41
	Atul Crop Care Ltd (Previous year: ₹ 3,671)	0.01	—
	Lapox Polymers Ltd (Current year: ₹ 26,390)		—
3	Payables	1.34	—
	Amal Ltd (Current year: ₹ 6,384)		—
	Atul Crop Care Ltd	0.71	—
	Lapox Polymers Ltd	0.63	—

¹ Under lease agreement valid from February 03, 1996 to February 02, 2093

² Interest free pursuant to Board for Industrial and Financial Reconstruction Order.

Notes to the Financial Statements

(₹ cr)

Note 28.5 (E) Enterprise over which control exercised by Key Management Personnel		2015-16	2014-15
1	Expenses		
	Reimbursement	0.02	0.01
	Samveg Agencies Pvt Ltd	0.02	0.01
	Outstanding balances as at year end		
1	Payable	3.98	–
	Aagam Holdings Pvt Ltd ¹	3.98	–

¹ Includes acceptances for bills discounted by third parties.

(₹ cr)

Note 28.5 (F) Transactions with Key Management Personnel		2015-16	2014-15
1	Remuneration	11.08	8.53
	S S Lalbhai	6.56	4.98
	S A Lalbhai	2.06	1.74
	B N Mohanan	1.05	0.86
	S R Nammalvar	–	0.48
	T R Gopi Kannan	1.41	0.47

(₹ cr)

Note 28.5 (G) Transactions with relatives of Key Management Personnel		2015-16	2014-15
1	Remuneration	0.13	0.04
	Saumya S Lalbhai	0.10	0.03
	Nishtha S Lalbhai	0.03	0.01

(₹ cr)

Note 28.5 (H) Transactions with organisations over which significant influence exercised		2015-16	2014-15
	Sales and income		
1	Sale of goods	0.14	0.11
	Atul Kelavani Mandal	0.03	0.04
	Atul Rural Development Fund (Previous year: ₹ 30,377)	0.01	
	Atul Vidyalaya	0.10	0.07
2	Sale of capital goods	0.01	–
	Atul Vidyalaya	0.01	–
	Purchases and expenses		
1	Reimbursement		0.01
	Atul Vidyalaya (Current year: ₹ 3,000)		0.01
	Other transactions		
1	Corporate Social Responsibility initiatives	4.95	3.72
	Atul Kelavani Mandal	3.64	0.42
	Atul Rural Development Fund	1.31	3.30
2	Reimbursements	0.05	0.04
	Atul Kelavani Mandal (Current year: ₹ 46,886 and Previous year: ₹ 37,752)		
	Atul Vidyalaya	0.05	0.04
	Outstanding balances as at year end		
1	Receivables	0.12	0.07
	Atul Kelavani Mandal	0.09	0.06
	Atul Rural Development Fund (Previous year: ₹ 10,824)	0.01	
	Atul Vidyalaya	0.02	0.01

Notes to the Financial Statements

Note 28.6 Segment information

In accordance with Accounting Standard-17 'Segment Reporting', segment information has been given in the Consolidated Financial Statements of Atul Ltd, and therefore, no separate disclosure on segment information is given in the Financial Statements.

Note 28.7 Earning per share

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

Particulars		2015-16	2014-15
Profit for the year attributable to the Equity Shareholders	₹ cr	268.06	217.42
Basic Weighted average number of Equity shares outstanding during the year	Number	2,96,61,733	2,96,61,733
Nominal value of Equity share	₹	10	10
Basic and diluted Earning per Equity share	₹	90.37	73.30

Note 28.8 Lease

- The Company has taken various residential and office premises under operating lease or leave and license Agreements. These are generally cancellable, having a term between 11 months and 3 years and have no specific obligation for renewal. Payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 27.
- The Company has given certain buildings and plant and machinery on operating lease, these are generally cancellable, having a term between 10 years to 30 years, the details of which are as under:

(₹ cr)

Assets	Gross block		Depreciation fund		Written down value		Depreciation for the year	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	2015-16	2014-15
Buildings	0.16	0.16	0.07	0.07	0.09	0.09	0.01	0.01
Plant and machinery	1.27	1.27	1.21	1.21	0.06	0.06	—	—
	1.43	1.43	1.28	1.28	0.15	0.15	0.01	0.01

Note 28.9 Derivatives

The use of Derivative instruments is governed by the policies of the Company approved by the Board, which provide written principles on the use of such financial derivatives consistent with Risk Management strategy of the Company.

- a) Derivatives outstanding as at Balance Sheet date:

**Fc in cr*

No.	Particulars	Purpose	As at March 31, 2016	As at March 31, 2015
1	Forward exchange contracts to sell US\$	Hedge of firm commitment and highly probable foreign currency sales	–	0.07
2	Forward exchange contracts to buy US\$	Hedge of firm commitment and highly probable foreign currency purchases	0.80	0.20
3	Forward exchange contracts to buy US\$	Hedge of foreign currency loans	0.10	–
4	Currency options contracts - Range options to sell US\$	Hedge of firm commitment and highly probable foreign currency sales	1.26	2.60
5	Currency options contracts - Vanilla option to sell US\$	Hedge of firm commitment and highly probable foreign currency sales	0.66	–
6	Interest rate swaps US\$	Hedge against exposure to variable interest outflow on foreign currency loans. Swap to pay fixed interest and receive a variable interest based on LIBOR on the notional amount	0.03	0.20
7	Currency swaps US\$	Hedge against fluctuations in changes in exchange rate and interest rate	0.50	0.83

- b) The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below.

**Fc in cr*

Particulars	As at March 31, 2016			As at March 31, 2015		
	US\$	€	Others	US\$	€	Others
Debtors	3.08	0.12	0.01	2.98	0.24	0.01
Creditors	0.56	0.01	0.01	0.61	0.01	–
Loans Taken	0.83	–	–	0.73	–	–

- c) Financial derivatives hedging transactions:

Pursuant to the announcement issued by The Institute of Chartered Accountants of India dated March 29, 2008 in respect of derivatives, the Company has applied the Hedge Accounting Principles set out in the Accounting Standard-30 'Financial Instruments : Recognition and Measurement'. Accordingly, derivatives are Marked-to-Market and the loss aggregating ₹ 0.70 cr (Previous year gain ₹ 0.11 cr) arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the hedging reserve account. Actual gain or loss on exercise of these derivatives or any part thereof is recognised in the Statement of Profit and Loss. Hedge accounting will be discontinued if the hedging instrument is sold, terminated or no longer qualifies for hedge accounting.

- d) Forward exchange contracts to buy US\$ to hedge foreign currency loans are accounted for as per Para 36 of the Accounting Standard - 11 'The effects of changes in Foreign Exchange Rates'.

*Fc = Foreign currency

(₹ cr)

Note 28.10 Loans and advances in the nature of loans

Disclosures pursuant to the Regulation 34(3) read with Para A of Schedule V to the SEBI (Listing obligations and disclosure requirements) Regulations, 2015 read with Section 186 (4) of the Companies Act, 2013.

Particulars	Purpose	Amount outstanding as at		Maximum balance during the year	
		March 31, 2016	March 31, 2015	2015-16	2014-15
i) Subsidiary company: Atul Finserv Ltd Atul Bioscience Ltd	Seed funding support as promoters	—	—	—	4.12
		4.30	4.30	4.30	4.30
ii) Associate company: Amal Ltd	Interest free loan, pursuant to Board for Industrial and Financial Reconstruction order	14.88	14.88	14.88	14.88
Corporate guarantee Atul Europe Ltd	Facilitate trade finance	—	GBP 10,00,000		

Notes:

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

Note 28.11 Employee benefits

Funded schemes

a) Defined benefit plans:

Gratuity: The Company operates a gratuity plan through the 'Atul Employees Gratuity Trust'. Every employee is entitled to a benefit equivalent to fifteen days salary last drawn for each completed year of service in line with the Payment of Gratuity Act, 1972 or Company scheme whichever is beneficial. The same is payable at the time of separation from the Company or retirement, whichever is earlier. The benefits vest after five years of continuous service.

Expenses recognised for the year ended on March 31, 2016 (included in Note 25)

(₹ cr)

Particulars	2015-16 Gratuity	2014-15 Gratuity
1 Change in present value of obligation:		
a) Present value of obligation at beginning of the year	44.44	41.79
b) Current service cost	2.10	2.27
c) Interest cost	3.55	3.88
d) Actuarial loss (gain)	2.27	2.13
e) Benefits paid	(5.09)	(5.63)
f) Present value of obligation at the end of the year	47.27	44.44
2 Change in fair value of plan assets:		
a) Fair value of plan assets at beginning of the year	44.44	41.79
b) Expected return on plan assets	3.55	3.63
c) Actuarial loss (gain)	(0.79)	1.90
d) Contributions	5.16	2.75
e) Benefits paid	(5.09)	(5.63)
f) Fair value of plan assets at end of the year	47.27	44.44

Notes to the Financial Statements

Note 28.11 Employee benefits (continued)

			(₹ cr)
Particulars	2015-16 Gratuity	2014-15 Gratuity	
3 Reconciliation of present value of the obligation and the fair value of plan assets and amounts recognised in the Balance Sheet:			
a) Present value of the defined benefit obligation at the end of the year	(47.27)	(44.44)	
b) Fair value of plan assets at the end of the year	47.27	44.44	
c) Net liability recognised in the Balance Sheet	–	–	
4 Gratuity cost recognised during the year:			
a) Current service cost	2.10	2.27	
b) Interest cost	3.55	3.88	
c) Expected return on plan assets	(3.55)	(3.63)	
d) Actuarial loss	3.06	0.23	
e) Total expense	5.16	2.75	
5 Actuarial assumptions:			
a) Discount rate	7.80%	7.99%	
b) Rate of return on plan assets	7.80%	7.99%	
c) Salary escalation rate	7.75%	7.75%	
6 Net asset liability recognised in the Balance Sheet			
Defined benefit obligation	47.27	44.44	
Plan assets	47.27	44.44	
Deficit (Surplus)	–	–	
Experience adjustments in plan liabilities	1.91	(1.66)	
Experience adjustments in plan assets	(0.79)	1.90	

Experience adjustments

(₹ cr)

Particulars	2015-16	2014-15	2013-14	2012-13	2011-12
Experience adjustments on:					
1 (Gain) Loss on plan liabilities	1.91	(1.66)	0.40	1.35	(0.01)
2 (Gain) Loss on plan assets	(0.79)	1.90	(0.06)	(0.29)	1.80

The Company expects to contribute ₹ 3.94 cr to Gratuity Fund in the year 2016-17.

b) Defined contribution plan:

Amount of ₹ 9.00 cr (Previous year: ₹ 8.48 cr) is recognised as expense and included in the Note 25 'Contribution to Provident and Other funds'.

c) Provident Fund liability:

In case of certain employees, the Provident Fund contribution is made to a trust administered by the Company. In terms of the guidance note issued by The Institute of Actuaries of India, the actuary has provided a valuation of Provident Fund liability based on the assumptions listed below and determined that there is no shortfall as at March 31, 2016.

Note 28.11 Employee benefits (continued)

The assumptions used in determining the present value of obligation of the interest rate guarantee under deterministic approach are:

Particulars	2015-16	2014-15
1 Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
2 Withdrawal rates	5% p.a. for all age groups	5% p.a. for all age groups
3 Rate of discount	7.80%	7.80%
4 Expected rate of interest	8.80%	7.99%
5 Retirement age	60 years	60 years
6 Guaranteed rate of interest	8.80%	8.75%

(₹ cr)

Expenses recognised for the year ended on March 31, 2016 (included in Note 25)	As at March 31, 2016	As at March 31, 2015
1 Defined Benefit Obligation	11.39	10.14
2 Fund	11.50	10.40
3 Net Asset (Liability)	0.11	0.26
4 Charge to the Statement of Profit and Loss during the year	0.15	0.23

- d) The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. Mortality rates are obtained from the relevant data.

Unfunded Schemes

(₹ cr)

Particulars	Compensated absences	
	March 31, 2016	March 31, 2015
1 Present value of unfunded obligations	22.58	21.38
2 Expense recognised in the Statement of Profit and Loss	3.39	3.23
3 Discount rate (per annum)	7.80%	7.80%
4 Salary escalation rate (per annum)	7.75%	7.75%

Notes to the Financial Statements

Note 28.12 Interest in joint venture company

The Company acquired 50% interest in Rudolf Atul Chemicals Limited (RACL), a joint venture company in India between IB Industriechemie Beteiligungs GmbH, Germany and Atul Ltd on August 18, 2011. RACL is engaged in the business of manufacturing and marketing textile chemicals. As per the contractual arrangement between the Shareholders of RACL, both the companies have significant participating rights such that they jointly control the operations of the joint venture company. The aggregate amount of assets, liabilities, income and expenses related to the share of the Company in RACL as at and for the year ended March 31, 2016 as per audited Financial Statements is given below:

Balance Sheet as at March 31, 2016

(₹ cr)

Particulars	As at March 31, 2016	As at March 31, 2015
Current liabilities		
Trade payables	4.10	3.41
Other current liabilities	0.86	0.43
Short-term provisions	4.49	0.73
Total (A)	9.45	4.57
Non-current assets		
Tangible assets, net	0.58	0.27
Intangible assets, net	–	0.01
Capital work-in-progress	0.24	0.11
Deferred tax assets (net)	0.05	0.08
Long-term loans and advances	1.31	1.41
	2.18	1.88
Current assets		
Inventories	3.06	2.79
Trade receivables	6.47	5.35
Cash and cash equivalents	2.32	3.77
Short-term loans and advances	5.43	0.14
Other current assets	0.03	0.61
	17.31	12.66
Total (B)	19.49	14.54
Net worth (B-A)	10.04	9.97

Note 28.12 Interest in joint venture company (continued)

Statement of Profit and Loss for the year ended March 31, 2016			(₹ cr)
Particulars	2015-16	2014-15	
Revenue			
Revenue from operations	30.74	22.03	
Other income	0.44	0.75	
	31.18	22.78	
Expenses			
Cost of materials consumed	17.71	12.89	
Purchase of stock-in-trade	1.43	1.60	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.41)	0.08	
Finance costs	0.01	0.01	
Depreciation and amortisation expenses	0.06	0.40	
Other expenses	5.42	3.74	
	24.22	18.72	
Profit before tax	6.96	4.06	
Tax expense			
Current tax	2.37	1.40	
Deferred tax	0.04	(0.08)	
	2.41	1.32	
Net profit (loss)	4.55	2.74	

Note 28.13 Disclosure requirement under MSMED Act, 2006

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

Particulars	2015-16	2014-15	(₹ cr)
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	2.78	1.31	
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.01	0.34	
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.28	0.23	
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	—	—	
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	0.34	—	
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	—	0.08	
Further interest remaining due and payable for earlier years	—	0.26	

Note 28.14 Amalgamation of Amal Ltd

The Board of Directors (Board) approved the Scheme of Amalgamation of Amal Ltd. with the Company (Scheme) on December 05, 2014. The Board has approved a share swap ratio of 1 Equity share of the face value of ₹ 10 each fully paid up of Atul Ltd. for every 50 Equity shares of the face value of ₹ 10 each fully paid up of Amal Ltd. In terms of the Scheme, the appointed date is April 01, 2014. The Scheme of Amalgamation has been awaiting approval from Board for Industrial and Financial Reconstruction. Pending all other statutory approvals, no effect to the above Scheme has been given in the Financial Statements. The impact of the Scheme on the Financial Statement is not expected to be material.

Note 28.15 Corporate Social Responsibility

- a) Gross amount required to be spent by the Company during the year is ₹ 5.14 cr
b) Amount spent during the year on:

(₹ cr)			
Particulars	In cash	Yet to be paid in	Total
i) Construction acquisition of any asset	–	–	–
ii) On purposes other than (i) above	5.31	–	5.31

Note 28.16 Exceptional items

Consequent to the capital reduction of GBP 1.05 million in Atul Europe Ltd (AEL), a wholly owned subsidiary company of Atul Ltd, following impact has been given to the Financial Statement:

(₹ cr)	
Particulars	Income (Expenses)
i) Receipt of one-time dividend	10.38
ii) Adjustment in the carrying value of investment in AEL	(7.71)
Net amount	2.67

Note 28.17 Regrouped | Recast | Reclassified

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

Note 28.18 Rounding off

Figures less than ₹ 50,000 have been shown at actuals in brackets.

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

T R Gopi Kannan

Whole-time Director and CFO

L P Patni

Company Secretary

B N Mohanan

Whole-time Director
and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director
Mumbai
April 29, 2016

Mumbai
April 29, 2016

Independent Auditors' Report



To the Members of Atul Ltd

Report on the Consolidated Financial Statements

1. We have audited the accompanying Consolidated Financial Statements of Atul Ltd (hereinafter referred to as the 'Holding Company') and its subsidiary companies (the Holding Company and its subsidiary companies together referred to as the 'Group'), its jointly controlled entity and associate companies; (refer Note 28.7, 28.8 and 28.9 to the attached Consolidated Financial Statements), comprising of the Consolidated Balance Sheet as at March 31, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant Accounting Policies and other explanatory information prepared based on the relevant records (hereinafter referred to as 'the Consolidated Financial Statements').

Management's responsibility for the Consolidated Financial Statements

2. The Board of Directors of the Holding Company is responsible for the preparation of these Consolidated Financial Statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as the 'Act') that give a true and fair view of the Consolidated Financial position, Consolidated Financial performance and Consolidated Cash Flows of the Group including its associates companies and jointly controlled entity in accordance with Accounting Principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and Accounting Standard 30, Financial Instruments: Recognition and Measurement issued by the Institute of Chartered Accountants of India to the extent it does not contradict any other Accounting Standard referred to in Section 133 of the Act read with Rule 7 of Companies (Accounts) Rules, 2014. The Board of Directors of the Holding Company is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of Consolidated Financial Statements. The respective Board of Directors of the companies included in the Group and of its associates companies and jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates companies and jointly controlled entities respectively and for preventing and detecting frauds and other irregularities; the selection and application of appropriate Accounting Policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate Internal Financial Controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which has been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Holding Company, as aforesaid.

Auditors' responsibility

3. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act and the Rules made thereunder including the Accounting Standards and matters which are required to be included in the Audit Report.

4. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. These Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.
5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the Auditors' judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the Auditor considers Internal Financial Control relevant to the preparation of the Consolidated Financial Statements of the Holding Company that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the Accounting Policies used and the reasonableness of the accounting estimates made by the Board of Directors of the Holding Company, as well as evaluating the overall presentation of the Consolidated Financial Statements.
6. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in sub-paragraph 8 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Opinion

7. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India of the consolidated state of affairs of the Group, its associates companies and jointly controlled entity as at March 31, 2016, and their Consolidated Profit and their Consolidated Cash Flows for the year ended on that date.

Other Matter

8. We did not audit the Financial Statements of 15 subsidiaries companies, and one jointly controlled entity whose Financial Statements reflect total assets of ₹ 189.46 cr and net assets of ₹ 93.35 cr as at March 31, 2016, total revenue of ₹ 452.21 cr, net profit ₹ 4.47 cr and net cash outflows amounting to ₹ 14.72 cr for the year ended on that date, as considered in the Consolidated Financial Statements. The Consolidated Financial Statements also include the share of net profit of ₹ 0.17 cr of the Group for the year ended March 31, 2016 as considered in the Consolidated Financial Statements, in respect of 15 associate companies whose Financial Statements have not been audited by us. These Financial Statements have

been audited by other Auditors whose reports have been furnished to us by the Management, and our opinion on the Consolidated Financial Statements in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, jointly controlled entity and associate companies and our report in terms of Sub-sections (3) and (11) of Section 143 of the Act insofar as it relates to the aforesaid subsidiaries companies, jointly controlled entities and associates companies, are based solely on the reports of the other Auditors.

Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.
- b) In our opinion, proper books of account as required by law maintained by the Holding Company, its subsidiary companies included in the Group, associate companies and jointly controlled entity incorporated in India including relevant records relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and records of the Holding Company and the reports of the other Auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained by the Holding Company, its subsidiary companies included in the Group, associate companies and jointly controlled entity incorporated in India including relevant records relating to the preparation of the Consolidated Financial Statements.
- d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the Directors of the Holding Company as on March 31, 2016 taken on record by the Board of

Directors of the Holding Company and the reports of the Statutory Auditors of its subsidiary companies, associate companies and jointly controlled entity incorporated in India, none of the Directors of the Group companies, its associate companies and jointly controlled entity incorporated in India is disqualified as on March 31, 2016 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 Holding Company, its subsidiary companies, associate companies and jointly controlled entity incorporated in India and the operating effectiveness of such controls, refer to our separate Report in Annexure A.
- g) With respect to the Other Matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Consolidated Financial Statements disclose the impact, if any, of pending litigations as at March 31, 2016 on the Consolidated Financial position of the Group, its associate companies and jointly controlled entity.
 - ii) Provision has been made in the Consolidated Financial Statements, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2016.
 - iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies, associate companies and jointly controlled entity incorporated in India during the year ended March 31, 2016.

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

Mumbai

April 29, 2016

Annexure A to Independent Auditors' Report

Referred to in paragraph 9(f) of the Independent Auditors' Report of even date to the Members of Atul Ltd on the Consolidated Financial Statements for the year ended March 31, 2016.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended March 31, 2016, we have audited the Internal Financial Controls over financial reporting of Atul Ltd (hereinafter referred to as the 'Holding Company') and its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, are responsible for establishing and maintaining Internal Financial Controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate Internal Financial Controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. 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 on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') issued by the ICAI and the Standards on Auditing deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of Internal Financial Controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. 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.
4. 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.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors in terms of their reports referred to in the Other Matters paragraph below, 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

6. The Internal Financial Control over financial reporting of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. The Internal Financial Control over financial reporting of the Company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of the Management and the 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 may have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

7. Because of the inherent limitations of Internal Financial Controls over financial reporting, including the possibility of collusion or improper override of controls by the Management, 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

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled entity, which are companies incorporated in India, have, in all material respects, an adequate Internal Financial Controls system over financial reporting and such Internal Financial Controls over financial reporting were operating effectively as at March 31, 2016, based on the Internal Financial Control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over financial reporting issued by the Institute of Chartered Accountants of India.

Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting insofar as it relates to 8 subsidiary companies, 14 associate companies and 1 jointly controlled entity, which are companies incorporated in India, is based on the corresponding reports of the Auditors of such companies incorporated in India. Our opinion is not qualified in respect of this matter.

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Mumbai

April 29, 2016

Membership Number: 037942

Consolidated Balance Sheet as at March 31, 2016

(₹ cr)

Particulars	Note	As at March 31, 2016	As at March 31, 2015
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	2	29.68	29.68
b) Reserves and surplus	3	1,245.04	1,009.31
		1,274.72	1,038.99
2 Minority interest		5.62	5.68
3 Non-current liabilities			
a) Long-term borrowings	4	24.45	58.57
b) Deferred tax liabilities (net)	5	68.67	46.09
c) Other long-term liabilities	6	23.10	19.43
d) Long-term provisions	7	17.45	16.04
		133.67	140.13
4 Current liabilities			
a) Short-term borrowings	8	251.50	175.98
b) Trade payables	9		
Total outstanding dues of			
i) Micro enterprises and small enterprises		2.15	1.65
ii) Creditors other than micro enterprises and small enterprises		304.73	270.54
c) Other current liabilities	10	125.38	146.54
d) Short-term provisions	11	44.03	43.56
		727.79	638.27
		2,141.80	1,823.07
II ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible assets	12	749.65	513.44
ii) Intangible assets	12	0.12	0.22
iii) Capital work-in-progress		180.68	112.05
		930.45	625.71
b) Non-current investments	13	61.58	63.39
c) Long-term loans and advances	14	35.80	38.51
d) Other non-current assets	15	57.35	54.69
		1,085.18	782.30
2 Current assets			
a) Current investment	16	1.87	2.66
b) Inventories	17	434.84	415.27
c) Trade receivables	18	434.77	442.42
d) Cash and bank balances	19	22.83	36.62
e) Short-term loans and advances	20	130.44	118.23
f) Other current assets	21	31.87	25.57
		1,056.62	1,040.77
		2,141.80	1,823.07
Significant Accounting Policies	1		
The accompanying Notes form an integral part of the Consolidated Financial Statements			

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

T R Gopi Kannan

Whole-time Director and CFO

L P Patni

Company Secretary

B N Mohanan

Whole-time Director
and President - U&S

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora

Directors

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 29, 2016

Mumbai

April 29, 2016

Consolidated Statement of Profit and Loss

for the year ended March 31, 2016



(₹ cr)

Particulars	Note	2015-16	2014-15
REVENUE			
Revenue from operations (gross)	22	2,766.24	2,827.47
Less: Excise duty		164.80	171.08
Revenue from operations (net)		2,601.44	2,656.39
Other income	23	30.71	10.25
		2,632.15	2,666.64
EXPENSES			
Cost of materials consumed		1,328.80	1,404.63
Purchase of stock-in-trade		21.11	29.82
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(25.01)	10.96
Employee benefit expenses	25	184.66	163.29
Finance costs	26	27.57	25.69
Depreciation and amortisation expenses	12	65.79	60.27
Other expenses	27	628.33	646.40
		2,231.25	2,341.06
Profit before tax		400.90	325.58
Tax expense			
Current tax		109.09	85.36
Deferred tax		22.58	13.80
MAT credit entitlement		(0.07)	–
Tax adjustments		0.02	0.21
		131.62	99.37
Profit after tax		269.28	226.21
Share of profit (loss) in associate companies		0.17	0.06
Reversal of share of loss in associate company on sale of investment		(0.07)	14.21
Minority interest		0.06	(0.17)
Profit for the year		269.32	240.65
No. of Shares		29,661,733	29,661,733
Basic and diluted earning ₹ per Equity share of ₹ 10 each	28.6	90.80	81.13
Significant Accounting Policies	1		

The accompanying Notes form an integral part of the Consolidated Financial Statements

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP
Firm Registration Number: 102020W | W-100040

S Venkatesh
Partner
Membership Number: 037942

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

B N Mohanan
Whole-time Director
and President - U&S

Mumbai
April 29, 2016

R A Shah
S S Bajjal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 29, 2016

Consolidated Cash Flow Statement

for the year ended March 31, 2016

(₹ cr)

Particulars	2015-16	2014-15
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	400.90	325.58
Adjustments for:		
Add:		
Depreciation and amortisation expenses	65.79	60.27
Finance costs	27.57	25.69
Loss on assets sold or discarded	1.11	0.87
Unrealised exchange rate difference (net)	1.86	(4.53)
Bad debts and irrecoverable balances written off	1.55	1.78
Provision for doubtful debts	1.48	0.98
	99.36	85.06
	500.26	410.64
Less:		
Dividend received	3.08	2.11
Interest received	2.88	0.48
Provisions no longer required	6.52	1.62
Provisions for doubtful debt written back	0.24	0.68
Exchange difference on consolidation	7.86	9.91
Surplus on sale of fixed assets	1.27	1.39
Profit on sale of investment in associate	–	1.58
	21.85	17.77
Operating profit before working capital changes	478.41	392.87
Adjustments for:		
Inventories	(19.57)	18.90
Trade receivables	3.92	(4.43)
Short-term loans and advances	(10.41)	(13.09)
Current investments	0.79	(2.66)
Other current assets	(7.11)	10.43
Non-current assets	0.28	6.09
Long-term loans and advances	(0.13)	7.16
Long-term provisions	1.41	0.74
Trade payables	39.22	(50.04)
Other current liabilities	7.02	16.43
Other non-current liabilities	3.67	0.63
Minority interest	(0.06)	(0.24)
Short-term provisions	(1.63)	–
	17.40	(10.08)
Cash generated from operations	495.81	382.79
Less:		
Direct taxes (refund) paid	111.94	76.53
Net cash flow from operating activities	A 383.87	306.26

Consolidated Cash Flow Statement

for the year ended March 31, 2016 (continued)



(₹ cr)

Particulars	2015-16	2014-15
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible assets	(369.88)	(184.78)
Purchase of intangible assets	–	(0.30)
Capital advances	2.84	(17.30)
Acquisition of minority interest	(0.06)	0.17
Sale (Purchase) of investments in associate companies	1.45	15.79
Sale (Purchase) of investments in other companies	0.46	(0.51)
Exchange difference on consolidation	7.86	9.91
Long-term bank deposits	(0.02)	–
Short-term bank deposits	(0.44)	0.36
Sale of fixed assets	1.81	7.45
Interest received	2.88	0.48
Dividend received	3.08	2.11
Net cash used in investing activities	(350.02)	(166.62)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayments of long-term borrowings	(64.02)	(53.61)
Add: Exchange rate difference	(1.37)	(1.35)
Repayments of long-term borrowings (adjusted)	(65.39)	(54.96)
Repayments of short-term borrowings	75.52	(16.90)
Total repayments of borrowings	10.13	(71.86)
Acquisition of subsidiary company	0.14	0.21
Payment of unclaimed dividend	(0.17)	(0.12)
Interest paid	(27.70)	(26.11)
Dividend on Equity shares Preference shares (including dividend distribution tax)	(30.65)	(25.95)
Net cash used in financing activities	(48.25)	(123.83)
Net change in cash and cash equivalents	(14.40)	15.81
Opening balance - cash and cash equivalents	33.87	18.06
Closing balance - cash and cash equivalents	19.47	33.87

1. The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 'Cash Flow Statements' notified under Section 211 (3C) {Companies (Accounting Standards) Rules, 2006, as amended} of the Companies Act, 1956 and other relevant provisions of the Companies Act, 2013.

As per our attached report of even date

For and on behalf of the Board of Directors

For Dalal & Shah Chartered Accountants LLP

Firm Registration Number: 102020W | W-100040

S Venkatesh

Partner

Membership Number: 037942

T R Gopi Kannan

Whole-time Director and CFO

L P Patni

Company Secretary

B N Mohanan

Whole-time Director
and President - U&S

Mumbai

April 29, 2016

R A Shah
S S Baijal
B S Mehta
H S Shah
S M Datta
V S Rangan
M M Chitale
S A Panse
B R Arora
Directors

S S Lalbhai

Chairman and Managing Director

S A Lalbhai

Managing Director

Mumbai

April 29, 2016

Notes to the Consolidated Financial Statements

Note 1 Significant Accounting Policies

1. System of accounting:

- 1.1 The Company, generally, follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- 1.2 The Consolidated Financial Statements are based on historical cost. These costs are not adjusted to reflect the impact of the changing value in the purchasing power of money except in case of certain buildings which are being carried at fair value amount.

2. Principles of consolidation:

- 2.1 The Consolidated Financial Statements include the Financial Statements of Atul Ltd, the parent Company and all of its subsidiary companies (collectively referred to as 'Group'), in which the Company has more than one-half of the voting power of an enterprise or where the Company controls the composition of the Board of Directors.
 - 2.2 The Consolidated Financial Statements are prepared in accordance with Accounting Standard-21 'Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended).
 - 2.3 The investments in associate companies are accounted in these Consolidated Financial Statements in accordance with the requirements of Accounting Standard-23 'Accounting for Investments in associate companies in Consolidated Financial Statements', notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended). For details refer Note no 28.8.
 - 2.4 The investments in joint venture companies are accounted in these Consolidated Financial Statements in accordance with the requirements of Accounting Standard-27 'Financial Reporting of Interest in Joint Venture Company' notified under the Companies (Accounting Standards) Rules, 2006, on proportionate consolidation method. Thus the Statement of Profit and Loss, Balance Sheet and Cash Flow Statement of the Group incorporate the share of income, expenses, assets, liabilities and cash flows of the joint venture companies of the Group on a line-by-line basis.
 - 2.5 The Financial Statements of the parent company and its subsidiary companies have been combined on a line-by-line basis by adding together book values of the items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profits or losses.
 - 2.6 The Consolidated Financial Statements are prepared by adopting uniform Accounting Policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as Standalone Financial Statements of the parent Company.
 - 2.7 Financial Statement of integral foreign subsidiary companies translated into Indian rupees pursuant to Accounting Standards-11 'The effects of changes in foreign exchange rate', notified pursuant to the Companies (Accounting Standards) Rules, 2006 (as amended) are as follows:
 - 2.7.1 Revenues and expenses are translated into Indian rupees at average exchange rate, which is not as per requirements of Accounting Standard-11, but having no material effect on the results of consolidated accounts.
 - 2.7.2 Monetary items are translated into Indian rupees using the year end rate.
 - 2.7.3 Non-monetary items are translated using exchange rate at the date of transaction.
 - 2.7.4 The net exchange difference resulting from the translation of items in the Financial Statements of the subsidiary companies is recognised as income or expense under the head 'Exchange difference on translation of foreign subsidiary companies.'
3. Significant Accounting Policies and Notes to the Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understand the consolidated position of the companies. Recognising the purpose, the Company has disclosed only such policies and notes from the individual Financial Statements which fairly present the required disclosures.

Note 1 Significant Accounting Policies (continued)

4. Other significant Accounting Policies

4.1 Basis of preparation:

The Consolidated Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis except for certain buildings which are being carried at fair valued amounts. Pursuant to Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014, till the standards of accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies Act, 1956 will continue to apply. The Ministry of Corporate Affairs (MCA) has notified the Companies (Accounting Standards) Amendment Rules, 2016 vide its notification dated March 30, 2016. The said notification read with Rule 3(2) of the Companies (Accounting Standards) Rules, 2006 is applicable to accounting period commencing on or after the date of notification i.e. 1 April 2016. Consequently, the Consolidated Financial Statements have been prepared to comply in all material aspects with the Accounting Standard notified under Section 211(3C) of the Companies Act, 1956, Companies (Accounting Standards) Rules, 2006, as amended and other relevant provisions of the Companies Act, 2013. The Accounting Policies which have been applied consistently, except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard required a change in the Accounting Policy hitherto in use, are set out below.

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 products 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.

4.2 Use of estimates:

The preparation of the Consolidated Financial Statements in conformity with Generally Accepted Accounting Principles requires the Management to make assumptions and estimates that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the Consolidated Financial Statements and the results of operations during the reporting period. These estimates are based on the evaluation of the relevant facts and circumstances as on the date of the Consolidated Financial Statements by the Management, which may differ from future revisions and actual results in subsequent periods. Differences are adjusted in subsequent periods as they occur.

4.3 Fixed assets:

a) Tangible assets:

- i) Fixed assets other than ii) and iii) below are carried at cost of acquisition | construction including incidental expenses directly attributable to the acquisition | construction activity, as the case may be, less accumulated depreciation, amortisation and impairment as necessary.
- ii) Assets received free of cost on premature cancellation of a lease agreement are valued at fair value by credit to Capital reserve less accumulated depreciation and impairment as necessary.
- iii) Spares specific to a machinery are carried at cost and allocated over the useful life of the asset.
- iv) Expenditure incurred on cultivation of plantations up to the date, they become capable of bearing fruit are accumulated under 'Capital work-in-progress' and then capitalised as a fixed asset to be depreciated over their estimated economic life.
- v) Expenditure incurred on cultivation of plantations up to the date, they become capable of bearing fruit are accumulated under 'Capital work-in-progress' and then capitalised as a fixed asset to be depreciated over their estimated economic life.
- vi) The plantation destroyed due to calamity, disease or any other reasons weather capitalised as fixed asset or being carried under 'Capital work-in-progress' are charged off to Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

Note 1 Significant Accounting Policies (continued)

- b) Intangible assets:
Computer software includes enterprise resource planning project and other cost relating to software which provides significant future economic benefits. Costs comprise license fees and cost of system integration services.

4.4 Depreciation and amortisation expenses:

Depreciation:

- a) Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets.
- b) Depreciation is calculated on a pro-rata basis from the date of acquisition | installation till the date the assets are sold or disposed of.
- c) Machinery spares which are capitalised, are depreciated over the useful life of the related fixed asset. The written down value of such spares is charged in the Statement of Profit and Loss, on issue for consumption.
- d) Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.
- e) Useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013 are applied except following categories where the Management has estimated shorter useful lives for asset categories:

Asset category	Useful life
Plant and machinery*	7 to 15 years
Vehicles*	6 to 10 years

*For the above class of assets, based on internal assessment and independent technical evaluation carried out by external valuers the Management believes that the useful lives as given above best represent the period over which the Management expects to use these assets. Hence the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II to the Companies Act, 2013.

Amortisation

- a) Leasehold land is amortised on a straight-line basis over the period of lease.
- b) Computer Software cost is amortised over a period of 3 years using straight-line method.

4.5 Impairment of assets:

The carrying amounts of assets are reviewed at each Balance Sheet date to assess if there is any indication of impairment based on internal | external factors. An impairment loss on such assessment will be recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of the assets is net selling price or value in use, whichever is higher. While assessing value in use, the estimated future cash flows are discounted to the present value by using weighted average cost of capital. A previously recognised impairment loss is further provided or reversed depending on changes in the circumstances and to the extent that the assets carrying amount does not exceeds the carrying amount that would have been determined if no impairment loss had previously been recognised.

4.6 Borrowing costs:

Borrowing costs in relation to acquisition and construction of qualifying assets are capitalised as part of cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as expense in the year in which these are incurred. Borrowing costs include interest, other costs incurred in connection with borrowing and exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to the interest cost.

4.7 Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long-term investments and are carried at cost. However, provision for diminution in value of investments is made to recognise a decline, other than temporary, in the value of the investments.

Current investments not intended to be held for a period more than one year, are stated at lower of cost and fair value.

Note 1 Significant Accounting Policies (continued)

4.8 Inventories:

- a) Raw materials, packing materials, purchased finished goods, work-in-progress, finished goods manufactured, fuel, stores and spares other than specific spares for machinery are valued at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis. However, materials and other supplies held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.
- b) Goods-in-transit and in bonded warehouse are stated at the cost to the date of Balance Sheet.
- c) 'Cost' comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition.
- d) Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.
- e) Stocks of growing crops:
Stock and work-in-progress consists of plants in various stages of production which are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for impairment losses from obsolete and slow moving varieties.
Costs of growing plants include all direct expenditure and an appropriate proportion of fixed and variable overhead. They are allocated to individual units based on absorption rates specific to the stage of production. Plants are typically grown over a two year period before considered available for sale.

4.9 Foreign currency transactions:

- a) Initial recognition:
Transactions denominated in foreign currencies are recorded at the rate prevailing on the date of the transaction.
- b) Conversion:
At the year end, monetary items denominated in foreign currencies remaining unsettled are converted into Indian rupee equivalents at the year end exchange rates. 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.
- c) Exchange differences:
All exchange differences arising on settlement and conversion of foreign currency transactions are included in the Consolidated Statement of Profit and Loss. The Company has opted to avail the option provided under paragraph 46A of Accounting Standard-11 'The effects of changes in foreign exchange rates' inserted vide Notification dated December 29, 2011 issued by the Ministry of Corporate Affairs, Government of India. Consequently, foreign exchange difference on account of long-term foreign currency borrowings utilised to acquire a depreciable asset, is adjusted in the cost of the depreciable asset, which will be depreciated over the balance life of the asset.
- d) Forward exchange contracts not intended for trading or speculation purposes:
The premium or discount arising at the inception of forward exchange contracts intended to hedge existing exposures is amortised as expenses or income over the life of the contracts. Exchange differences on such contracts are being recognised in the Statement of Profit and Loss for the year. Any profit or loss arising on cancellation or renewal of forward exchange contracts is recognised as income or expense for the year.

Notes to the Consolidated Financial Statements

Note 1 Significant Accounting Policies (continued)

e) Derivatives:

Where the Company has entered into derivative contracts such as interest rate swaps, currency swaps and currency options, to hedge risk associated with interest and foreign currency fluctuations relating to firm commitments where these exposures exist at the Balance Sheet date the hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. The revalorisation gain or loss on Mark-to-Market (MTM) is generally recognised in the Consolidated Statement of Profit and Loss each year. However on account of option exercised as per (c) above MTM gains and losses on instruments intended to hedge long-term foreign currency borrowings utilised to acquire depreciable assets are recognised to offset foreign exchange fluctuation differences on such long-term foreign currency borrowings.

f) Changes in fair value of derivative instruments intended to hedge future exposures resulting out of 'highly probable forecast transactions' such as exports, is determined as effective hedges of future cash flows, which are recognised directly under 'Hedging reserve' in Shareholders' funds, and the ineffective portion, if any, is recognised immediately in the Consolidated Statement of Profit and Loss. Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in the Consolidated Statement of Profit and Loss.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised or no longer qualifies for hedge accounting. At that time, for forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Shareholders' funds is retained there until the forecasted transaction occurs. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognised in Shareholders' funds is transferred to the Consolidated Statement of Profit and Loss for the period.

4.10 Revenue recognition:

Revenue from sales are recognised when all significant risks and rewards of ownership have been transferred to the buyer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of goods.

a) Sale of goods and services:

- i) Domestic sales are recognised on dispatch from the point of sale, where property in goods are transferred to the buyer.
- ii) Export sales are recognised when significant risk and rewards are transferred to the buyer as per terms of contract.
- iii) Service income is recognised, net of service tax, when the related services are rendered.

b) Other revenue:

- i) Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.
- ii) Lease rental income is recognised on accrual basis.
- iii) Dividend income is accounted for in the year in which the right to receive the same is established.
- iv) Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

4.11 Provisions, contingent liabilities and contingent assets:

Provisions involving a substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Provision is not discounted to its present value and is determined based on the best estimate required to settle an obligation at the year end. These are reviewed every year end and adjusted to reflect the best current estimate. Contingent liabilities are not recognised but are disclosed in the Financial Statements. Contingent assets are neither recognised nor disclosed in the Financial Statements.

Note 1 Significant Accounting Policies (continued)

4.12 Research and Development expenditure:

Research and Development expenditure is charged to revenue under the natural heads of account in the year in which it is incurred. However development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent. Research and Development expenditure on fixed assets is treated in the same way as expenditure on other fixed assets.

4.13 Employee benefits:

a) Defined contribution plan:

Contribution paid | payable by the Company during the period to Provident Fund, Superannuation Fund, Employees' State Insurance Corporation, National Pension Scheme and Labour Welfare Fund are recognised in the Consolidated Statement of Profit and Loss.

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 so provided is paid to a Trust administered by the Company, which in turn invests in eligible securities to meet the liability as and when it accrues for payment in future. Actuarial gains | losses are immediately taken to the Statement of Profit and Loss. 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.

Long-term leave encashment:

Long-term leave encashment is provided for on the basis of an actuarial valuation carried out at the end of the year on the projected unit credit method. Actuarial gains | losses are immediately taken to the Consolidated Statement of Profit and Loss.

Provident Fund:

Provident Fund for certain eligible employees is managed by the Company through the 'Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust' in line with Provident Fund and Miscellaneous Provisions Act, 1952. The plan guarantees interest at the rate notified by the Provident Fund authorities. The contributions by the employer and employees together with the interest accumulated thereon are payable to employees at the time of their retirement or separation from the Company, whichever is earlier. The benefits vest immediately on rendering of the services by the employee. Any shortfall in the value of assets over the defined benefit obligation is recognised as a liability, with a corresponding charge to the Consolidated Statement of Profit and Loss.

c) Short-term leave encashment:

Short-term leave encashment is provided at undiscounted amount during the accounting period based on service rendered by employees.

d) Voluntary Retirement Scheme:

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

4.14 Taxation:

- a) Income tax expense comprises current tax and deferred tax charge or credit. Provision for current tax is made on the basis of the assessable income at the tax rate applicable to the relevant assessment year.
- b) MAT credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax within the specified period.

Notes to the Consolidated Financial Statements

Note 1 Significant Accounting Policies (continued)

- c) Deferred tax asset and deferred tax liability are calculated by applying tax rate and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets on account of timing differences are recognised, only to the extent there is a reasonable certainty of its realisation. Deferred tax assets are reviewed at each Balance Sheet date to reassure realisation.
- d) Deferred tax assets, representing unabsorbed depreciation or carried forward losses are recognised, if and only if there is virtual certainty supported by convincing evidence that there will be adequate future taxable income against which such deferred tax assets can be realised.

4.15 Government grants:

- a) Grants are recognised when there is reasonable assurance that the same will be received.
- b) Revenue grants for expenses incurred are reduced from the respective expenses.
- c) Capital grants relating to specific fixed assets are reduced from the cost of the respective fixed assets.
- d) Grants in the nature of promoters' contribution are credited to Capital reserve and treated as a part of Shareholders' funds.

4.16 Segment reporting:

The Accounting Policies adopted for segment reporting are in conformity with the Accounting Policies adopted for the Company. Further, inter-segment revenue have been accounted for based on the transaction price agreed to between segments which are primarily market based. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which related to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under 'Unallocated corporate expenses | income'.

4.17 Cash and cash equivalents:

In the Cash Flow Statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of 3 months or less.

4.18 Earning 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.

4.19 Leases:

As lessor:

The Company has leased certain tangible assets and such leases where the Company has substantially retained all the risks and rewards of ownership are classified as operating leases. Lease income on such operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term which is representative of the time pattern in which benefit derived from the use of the leased asset is diminished. Initial direct costs are recognised as an expense in the Statement of Profit and Loss in the period in which they are incurred.

As lessee:

Assets taken on lease under which all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term in accordance with the respective Lease Agreement terms.

Notes to the Consolidated Financial Statements

(₹ cr)

Note 2 Share capital	As at March 31, 2016	As at March 31, 2015
Authorised		
8,00,00,000 (8,00,00,000) Equity shares of ₹ 10 each	80.00	80.00
80,00,000 (80,00,000) Cumulative Redeemable Preference shares of ₹ 100 each	80.00	80.00
	160.00	160.00
Issued		
2,96,91,780 (2,96,91,780) Equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (2,96,61,733) Equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (29,991) Add: Forfeited shares (amount paid-up)	0.02	0.02
	29.68	29.68

a) Rights, preferences and restrictions

The Company has two classes of shares referred to as Equity shares having a par value of ₹ 10 and Cumulative Redeemable Preference shares having a par value of ₹ 100.

i) Equity shares:

In the event of liquidation of the Company, the holders of Equity shares will be entitled to receive any of the remaining assets of the Company, after distribution of all preferential amounts and Preference shares. The distribution will be in proportion to the number of Equity shares held by the Shareholders.

Each holder of Equity shares is entitled to one vote per share.

ii) Preference shares:

The Company has Preference shares having a par value of ₹ 100 per share. Each Shareholder is eligible for dividend depending upon their coupon rates. The Preference Shareholder is entitled to one vote per share only on resolutions placed before the Company which directly affect the rights attached to the Preference shares.

iii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of the Shareholders in the ensuing Annual General Meeting.

b) Shares reserved for allotment at a later date:

56 Equity shares are held in abeyance due to disputes at the time of earlier rights issues.

c) Details of the Shareholders holding more than 5% of Equity shares:

No.	Name of the Shareholder	As at March 31, 2016		As at March 31, 2015	
		Holding %	Number of shares	Holding %	Number of shares
1	Aagam Holdings Pvt Ltd	22.92%	6,797,264	22.67%	6,725,501
2	Aura Securities Pvt Ltd	5.44%	16,14,045	5.44%	16,14,045
3	Aeon Investments Pvt Ltd	5.95%	1,764,383	5.95%	1,764,383

Notes to the Consolidated Financial Statements

(₹ cr)

Note 3 Reserves and surplus	As at March 31, 2016	As at March 31, 2015
a) Capital reserve:		
Balance as at the beginning of the year	5.09	5.30
Add: Addition on acquisition	0.07	–
Less: Transferred to the General reserve*	0.22	0.21
Balance as at the end of the year	4.94	5.09
b) Securities premium account	36.27	36.27
c) Central and State Subsidy reserve:	11.49	11.49
Add: Received during the year	0.07	–
Less: Transferred to General reserve	3.97	–
Balance as at the end of the year	7.59	11.49
d) Revaluation reserve:		
Balance as at the beginning of the year	–	108.97
Less: Reversed during the year	–	108.97
Balance as at the end of the year	–	–
e) Hedging reserve (refer Note 28.2):		
Balance as at the beginning of the year	0.11	1.54
Add: Transferred to the Consolidated Statement of Profit and Loss	0.29	(1.54)
Less: Effect of foreign exchange rate variation on hedging instruments outstanding at the end of the year	1.10	(0.11)
Balance as at the end of the year	(0.70)	0.11
f) General reserve:		
Balance as at the beginning of the year	91.00	99.85
Add: Transferred from Capital reserve*	4.19	0.21
Less: Carrying amount of the assets (where the remaining useful life of assets is Nil) after retaining the residual value (net of deferred tax ₹ 4.80 cr)	–	9.06
Balance as at the end of the year	95.19	91.00
g) Surplus in the Consolidated Statement of Profit and Loss:		
Balance as at the beginning of the year	865.35	655.52
Add: Profit for the year	269.32	240.65
Less: Proposed dividend on Equity shares for the year {at ₹ 10.00 per share (March 31, 2015 ₹ 8.50 per share)}	29.66	25.21
Dividend distribution tax on proposed dividend	6.82	5.61
Add: Excess provision of dividend distribution tax written back	3.56	–
Balance as at the end of the year	1,101.75	865.35
	1,245.04	1,009.31

*The fair value of the assets received free of cost in the past, was credited to 'Capital reserve'; it represents amount equivalent to the depreciation of the respective assets charged to the Consolidated Statement of Profit and Loss.

Notes to the Consolidated Financial Statements

(₹ cr)

Note 4 Long-term borrowings	Non-current		Current maturities	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Secured:				
i) Rupee term loans from banks	1.88	3.38	1.58	1.57
ii) Rupee term loans from a foreign financial institution	10.41	20.83	10.42	10.42
iii) Foreign currency term loans from banks	12.16	34.36	24.18	28.68
iv) Foreign currency term loans from a foreign financial institution	—	—	—	23.47
Unsecured:				
v) Rupee term loans from a bank (Current year: ₹ 30,112)	—	—	—	0.14
	24.45	58.57	36.18	64.28
Amount disclosed under the head 'Other Current Liabilities' (refer Note 10)			(36.18)	(64.28)
	24.45	58.57	—	—

(₹ cr)

Note 5 Deferred tax liabilities (net)	As at March 31, 2016	As at March 31, 2015
Deferred tax liabilities:		
on account of timing difference in depreciation	76.08	53.54
	76.08	53.54
Deferred tax assets:		
on account of timing difference in		
a) Provision for leave encashment	7.81	7.40
b) Provision for doubtful debts	1.32	1.50
c) Provision for doubtful advances	0.07	0.07
d) Voluntary Retirement Scheme	—	0.16
	9.20	9.13
Deferred tax liabilities (assets) of subsidiary companies	1.79	1.68
Deferred tax liabilities (net)	68.67	46.09

(₹ cr)

Note 6 Other long-term liabilities	As at March 31, 2016	As at March 31, 2015
Security deposits	23.10	18.73
Deferred liabilities-capital goods	—	0.70
	23.10	19.43

Notes to the Consolidated Financial Statements

(₹ cr)		
Note 7 Long-term provisions	As at March 31, 2016	As at March 31, 2015
Provision for leave entitlement	17.38	15.98
Gratuity	0.07	0.06
	17.45	16.04
(₹ cr)		
Note 8 Short-term borrowings	As at March 31, 2016	As at March 31, 2015
a) Secured		
Working capital loans repayable on demand from banks	79.26	51.95
b) Unsecured		
Loan from banks including foreign banks	53.07	15.02
Loan from related parties	12.25	9.00
c) Buyers' credit	6.91	–
d) Commercial papers	100.00	100.00
e) Deposit from the Directors	0.01	0.01
	251.50	175.98
(₹ cr)		
Note 9 Trade payables	As at March 31, 2016	As at March 31, 2015
a) Total outstanding dues of micro enterprises and small enterprises	2.15	1.65
b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	3.98	2.89
Others	300.75	267.65
	306.88	272.19
(₹ cr)		
Note 10 Other current liabilities	As at March 31, 2016	As at March 31, 2015
a) Current maturities of long-term borrowings (refer Note 4)	36.18	64.28
b) Interest accrued but not due on borrowings	0.46	0.71
c) Unclaimed dividends	1.44	1.27
d) Unclaimed matured deposits and interest thereon	0.02	0.02
e) Advances received from customers	7.63	8.39
f) Employee benefits payable	35.08	31.69
g) Creditors for capital goods	18.22	8.82
h) Commission and discount payable	6.83	11.17
i) Statutory dues	12.88	15.92
j) Others	6.64	4.27
	125.38	146.54
(₹ cr)		
Note 11 Short-term provisions	As at March 31, 2016	As at March 31, 2015
a) Provision for leave entitlement	5.42	5.60
b) Other employee benefits	0.25	0.35
c) Others:		
Provision for taxation (net of tax paid in advance)	0.17	5.18
Proposed dividend {refer Note 3 (g)}	29.66	25.21
Dividend distribution tax on proposed dividend	6.82	5.61
Other provisions	1.71	1.61
	44.03	43.56

Notes to the Consolidated Financial Statements

Note 12 Fixed assets													(₹ Cr)
	Land - freehold ³	Land - leasehold ^{3,6}	Buildings ^{2,3}	Roads	Tangible assets			Intangible assets			Total		
					Plant and equipment ^{4,5}	Railway siding	Office equipment and furniture	Vehicles	Total tangible assets	Technical know-how		Computer software	Total intangible assets
Gross block ¹													
As at April 01, 2014	21.41	24.60	264.25	3.31	919.09	0.08	33.50	14.92	1,281.16	1.10	12.93	14.03	1,295.19
Additions	—	—	18.37	0.11	105.22	—	0.28	1.67	125.65	—	0.30	0.30	125.95
Other adjustments	(7.29)	(20.04)	(87.45)	—	2.14	—	—	—	(112.64)	—	—	—	(112.64)
Deductions and adjustments	—	—	4.82	—	6.52	—	0.05	1.33	12.72	—	—	—	12.72
As at March 31, 2015	14.12	4.56	190.35	3.42	1,019.93	0.08	33.73	15.26	1,281.45	1.10	13.23	14.33	1,295.78
Additions	0.82	—	27.64	3.60	263.70	—	2.19	3.78	301.73	—	—	—	301.73
Other adjustments	—	—	—	—	1.87	—	—	—	1.87	—	—	—	1.87
Deductions and adjustments	—	—	—	—	12.45	—	0.04	2.46	14.95	—	—	—	14.95
As at March 31, 2016	14.94	4.56	217.99	7.02	1,273.05	0.08	35.88	16.58	1,570.10	1.10	13.23	14.33	1,584.43
Depreciation Amortisation Impairment													
Depreciation Amortisation Impairment													
Upto March 31, 2014	—	2.25	72.66	1.35	583.21	0.08	21.29	9.37	690.21	0.76	12.92	13.68	703.89
For the year	—	0.08	10.53	1.27	57.79	—	2.30	1.73	73.70	0.34	0.09	0.43	74.13
Deductions and adjustments	—	1.39	11.54	—	3.21	—	0.04	0.75	16.93	—	—	—	16.93
Upto March 31, 2015	—	0.94	71.65	2.62	637.79	0.08	23.55	10.35	746.98	1.10	13.01	14.11	761.09
For the year	—	0.09	6.71	0.44	54.27	—	2.66	1.52	65.69	—	0.10	0.10	65.79
Deductions and adjustments	—	—	—	—	11.38	—	—	1.87	13.25	—	—	—	13.25
Upto March 31, 2016	—	1.03	78.36	3.06	680.68	0.08	26.21	10.00	799.42	1.10	13.11	14.21	813.63
Impairment													
Impairment fund as at March 31, 2015	—	—	—	—	21.03	—	—	—	21.03	—	—	—	21.03
Upto March 31, 2015	—	—	—	—	21.03	—	—	—	21.03	—	—	—	21.03
Impairment fund as at March 31, 2016	—	—	—	—	21.03	—	—	—	21.03	—	—	—	21.03
Upto March 31, 2016	—	—	—	—	21.03	—	—	—	21.03	—	—	—	21.03
Net block													
Balance as at March 31, 2015	14.12	3.62	118.70	0.80	361.11	—	10.18	4.91	513.44	—	0.22	0.22	513.66
Balance as at March 31, 2016	14.94	3.53	139.63	3.96	571.34	—	9.67	6.58	749.65	—	0.12	0.12	749.77

Notes:

- At cost, except certain building premises which are stated at fair value.
- Includes premises on ownership basis ₹ 1.10 cr (Previous year: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (Previous year: ₹ 2,000).
- Pursuant to the order passed by Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings in favour of Government of Gujarat and paid security deposit ₹ 2 cr (Previous year: ₹ 2 cr).
- Exchange rate difference capitalised during the year ₹ 1.87 cr (Previous year: ₹ 2.14 cr).
- Exchange rate difference which remains unamortised in accordance with the option exercised under Para 46A of Accounting Standard-11 is ₹ 17.51 cr (Previous year: ₹ 17.18 cr).
- GIDC Plot No 297 | 1 at Ankleshwar are in the name of the erstwhile Gujarat Aromatics Ltd. By virtue of the Honourable High Court of Gujarat, order dated July 29, 1988 the plots vest in the name of the Atul Ltd. Formalities for change of name from Gujarat Aromatics Ltd to Atul Ltd are in progress.
- Break-up of depreciation for the year.

		(₹ cr)	
Particulars		2015-16	2014-15
Depreciation Amortisation expenses for the year		65.79	74.13
Less: Transferred to the General reserve		—	13.86
Depreciation Amortisation expenses as per the Consolidated Statement of Profit and Loss		65.79	60.27

Notes to the Consolidated Financial Statements

(₹ cr)

Note 13 Non-current investments ¹	As at March 31, 2016	As at March 31, 2015
Long-term investments		
A. Trade investments		
a) Quoted Equity instruments		
In associate company		
Amal Ltd (refer Note 28.10)	0.64	0.64
Less: Cost of investments adjusted to General reserve as loss in associate company exceed the cost	0.24	0.24
Less: Provision for diminution in value	0.40	0.40
	–	–
b) Unquoted Equity instruments		
In others		
Bharuch Enviro Infrastructure Ltd	0.07	0.07
Narmada Clean Tech Ltd	0.72	0.72
	0.79	0.79
Investments in Equity instruments, unquoted		
In associate companies		
Anchor Adhesives Pvt Ltd ²	1.46	1.48
Add: Group share of profit (loss) for the year	–	(0.02)
Less: Reversal of carrying value on becoming subsidiary company	1.46	–
	–	1.46
AtRo Ltd	0.20	0.50
Less: Cost of investments adjusted to General reserve as loss in associate company exceed the cost	0.01	0.50
Less: Provision for diminution in value	0.19	–
	–	–
Atul Ayurveda Ltd	0.03	0.03
Add: Group share of profit for the year	0.01	–
	0.04	0.03
Atul Clean Energy Pvt Ltd	0.01	0.01
Atul Crop Care Ltd	0.15	0.08
Less: Carrying amount of investment sold	0.07	–
Add: Group share of profit for the year	0.09	0.07
	0.17	0.15
Atul Elkay Polymers Ltd	0.02	0.03
Less: Group share of profit (loss) for the year	0.01	0.01
	0.01	0.02
Atul Entertainment Ltd	0.03	0.03
Add: Group share of profit for the year	0.01	–
	0.04	0.03
Atul Hospitality Ltd	0.02	0.02
Add: Group share of profit for the year	0.01	–
	0.03	0.02
Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd)	0.03	0.03
Add: Group share of profit for the year	0.03	–
	0.06	0.03

Notes to the Consolidated Financial Statements



(₹ cr)		
Note 13 Non-current investments ¹ (continued)	As at March 31, 2016	As at March 31, 2015
Atul (Retail) Brands Pvt Ltd	0.01	0.01
Atul Seeds Ltd	0.02	0.02
Jayati Infrastructure Ltd	0.03	0.03
Lapox Polymers Pvt Ltd	0.03	0.01
Add: Group share of profit for the year	0.03	0.02
	0.06	0.03
Osia Dairy Ltd	0.02	0.02
Osia Infrastructure Ltd	0.02	0.02
	0.52	1.88
B. Other than trade investments		
a) Quoted Equity instruments		
In others		
Arvind Infrastructure Ltd ³	—	—
Arvind Ltd	46.64	46.64
BASF India Ltd	0.84	0.84
ICICI Bank Ltd	0.14	0.14
Jain Irrigation Systems Ltd	0.02	0.02
Nagarjuna Oil Refinery Ltd	—	—
Novartis India Ltd	1.02	1.02
Pfizer Ltd ⁴	1.50	1.50
DCM Shriram Ltd	0.01	—
Deewan Housing Finance Ltd	0.01	—
Gujarat State Fertiliser Corporation Ltd	0.01	—
Rural Electrification Corporation Ltd	0.02	—
Texmaco Infrastructure & Holdings Ltd	—	—
(Current year: ₹ 48,631)	—	—
NOCIL Limited	0.01	—
	50.22	50.16
b) Unquoted Equity instruments		
In others		
Nagarjuna Fertilizers and Chemicals Ltd	0.04	0.04
c) Investments in Preference shares		
In associate company		
Amal Ltd (0% Redeemable Preference shares) (refer Note 28.10)	10.00	10.00
d) Investments in Government or Trust securities		
6 Years National Savings Certificates (deposited with the Government departments)	0.01	0.01
	61.58	62.88
C. Share application money	—	0.51
	61.58	63.39

Notes to the Consolidated Financial Statements

(₹ cr)

Particulars	Book value As at March 31,		Market value As at March 31,	
	2016	2015	2016	2015
Quoted	50.22	50.16	345.23	382.28
Unquoted	11.36	12.72		
	61.58	62.88		
Aggregate provision for diminution	0.40	0.40		

¹ Valued at cost unless otherwise stated | ² Became a subsidiary company during the previous year |

³ Received in terms of demerger scheme | ⁴ Due to restructuring of company

(₹ cr)

Note 14 Long-term loans and advances	As at March 31, 2016	As at March 31, 2015
a) Loans and advances to related parties: (refer Note 28.10)		
i) Secured, considered good	11.29	11.29
ii) Unsecured, considered good	3.63	3.59
b) Others:		
i) Capital advances	20.17	23.01
ii) Security deposits	0.71	0.62
	35.80	38.51

(₹ cr)

Note 15 Other non-current assets	As at March 31, 2016	As at March 31, 2015
a) Balance with bank in fixed deposits, with maturity beyond 12 months	0.04	0.02
b) Balance with the Government departments:		
Tax paid under protest	19.91	16.80
Tax paid in advance, net of provisions	3.26	0.50
VAT receivable	28.67	29.84
Prepaid expenses	0.04	0.05
Security deposit (refer Note 12 ³)	2.01	2.01
Deposit paid under protest	0.98	–
MAT Credit entitlement	0.07	–
c) Mark-to-Market gains on derivatives	2.37	5.47
	57.35	54.69

(₹ cr)

Note 16 Current investments	As at March 31, 2016	As at March 31, 2015
Investment in Mutual Fund (unquoted) *		
At cost or market value whichever is less		
120.342 units (Previous year: Nil) of Birla Sun Life Cash Plus Fund	1.86	–
Nil units (Previous year: 18,21,827) of HDFC Liquid Fund	–	1.86
62.84 units (Previous year: 7,976.75) of SBI Premier Liquid Fund	0.01	0.80
	1.87	2.66
NAV of current investments	1.87	2.66

* At cost or market value whichever is less.

Notes to the Consolidated Financial Statements

(₹ cr)

Note 17 Inventories *	As at March 31, 2016	As at March 31, 2015
a) Raw materials and packing materials	72.27	85.38
Add: Goods-in-transit	29.59	22.43
	101.86	107.81
b) Work-in-progress	123.94	115.27
c) Finished goods	172.29	159.53
d) Stock-in-trade	7.20	4.46
e) Stores, spares and fuel	27.91	21.07
Add: Goods-in-transit	1.64	7.13
	29.55	28.20
	434.84	415.27

* Goods-in-transit at cost to date and others at cost or net realisable value whichever is lower.

(₹ cr)

Note 18 Trade receivables	As at March 31, 2016	As at March 31, 2015
a) Trade receivables outstanding for more than 6 months from the date they became due for payment:		
i) Unsecured, considered good	4.69	3.13
ii) Doubtful	3.80	2.81
Less: Provision for doubtful debts	3.80	2.81
	—	—
	4.69	3.13
b) Others:		
i) Unsecured, considered good	430.08	439.29
	434.77	442.42

(₹ cr)

Note 19 Cash and bank balances	As at March 31, 2016	As at March 31, 2015
a) Cash and cash equivalents:		
i) Balances with banks		
In current accounts	17.11	30.02
Deposit with bank for less than 3 months maturity	2.26	3.76
ii) Cash on hand	0.10	0.09
	19.47	33.87
b) Other bank balances:		
Earmarked balances with banks		
i) Unclaimed dividend interest on public deposit	1.46	1.29
ii) Short-term bank deposits with original maturity between 3 to 12 months (including margin money deposits)	1.90	1.46
	3.36	2.75
	22.83	36.62

Notes to the Consolidated Financial Statements

(₹ cr)

Note 20 Short-term loans and advances	As at March 31, 2016	As at March 31, 2015
Loans and advances, unsecured, considered good to:		
a) Related parties	0.17	4.13
b) Others:		
i) Advances recoverable in cash or kind	108.18	86.57
ii) Balances with statutory authorities	20.77	26.46
iii) Sundry deposits	0.63	0.84
iv) Others	0.69	0.23
	130.44	118.23

(₹ cr)

Note 21 Other current assets	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
a) Export incentive receivable	27.87	21.53
b) Mark-to-Market gains on derivatives	3.55	3.34
c) Dividend receivable	0.45	0.11
d) Asset held for sale	—	0.59
e) Sundry receivable		
Doubtful	0.19	0.19
Less: Provision for doubtful receivable	0.19	0.19
	31.87	25.57

(₹ cr)

Note 22 Revenue from operations	2015-16	2014-15
Sale of products	2,713.50	2,782.02
Sale of services	0.55	0.21
Other operating revenue:		
Export incentives	37.98	34.38
Scrap sales	5.70	6.01
Commission	0.21	0.26
Processing charges	8.30	4.59
	2,766.24	2,827.47
Less: Excise duty	164.80	171.08
	2,601.44	2,656.39

Notes to the Consolidated Financial Statements

(₹ cr)

Note 23 Other income	2015-16	2014-15
Dividend on long-term investments	2.79	1.97
Dividend on short-term investments	0.29	0.14
Interest from investment (Previous year: ₹ 4960)	0.11	
Interest from others	2.77	0.48
Lease income	0.20	0.20
Provisions no longer required	6.52	1.62
Surplus on sale of fixed assets	1.27	1.39
Exchange rate difference gain (loss) (net)	5.07	(0.02)
Profit on sale of long-term investment	–	1.58
Provisions for doubtful debts written back	0.24	0.68
Miscellaneous income	11.45	2.21
	30.71	10.25

(₹ cr)

Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2015-16	2014-15
Stocks at close		
Finished goods	172.29	159.53
Work-in-progress	123.94	115.27
Stock-in-trade	7.20	4.46
	303.43	279.26
Less: Stocks at commencement		
Finished goods	159.53	181.39
Work-in-progress	115.27	106.81
Stock-in-trade	4.46	3.05
	279.26	291.25
	(24.17)	11.99
Excise duty variation on opening closing stocks of finished goods	(0.84)	(1.03)
(Increase) Decrease in inventories	(25.01)	10.96

(₹ cr)

Note 25 Employee benefit expenses	2015-16	2014-15
Salaries, wages and bonus	162.99	146.09
Contribution to Provident and other funds	14.47	11.39
Staff welfare	7.20	5.81
	184.66	163.29

(₹ cr)

Note 26 Finance costs	2015-16	2014-15
Interest on borrowings	20.95	21.67
Interest on others	1.84	1.77
Other borrowings cost	1.98	2.25
Applicable exchange difference to the extent considered as an adjustment to borrowing cost	2.80	–
	27.57	25.69

Notes to the Consolidated Financial Statements

(₹ cr)

Note 27 Other expenses	2015-16	2014-15
Consumption of stores and spares	38.99	39.78
Power, fuel and water	267.09	298.21
Conversion and plant operation charges	30.76	28.48
Building repairs	19.71	17.37
Plant and equipment repairs	59.31	58.04
Sundry repairs	7.33	6.86
Rent	2.80	2.29
Rates and taxes	1.45	1.54
Insurance	7.00	5.58
Freight, cartage and octroi	61.99	70.81
Discount and commission	18.17	19.22
Travelling and conveyance	15.98	14.16
Payments to the Statutory Auditors		
a) Audit fees	0.80	0.79
b) Other matters	0.20	0.11
c) Out of pocket expenses	0.01	0.02
Payments to the Cost Auditors		
a) Audit fees	0.02	0.02
b) Out of pocket expenses (Current year: ₹ 21,315 and Previous year: ₹ 11,859)		
Directors' fees and travelling	1.38	1.45
Directors' commission (other than the Executive Directors)	0.92	0.66
Manpower services	33.43	26.58
Goodwill on consolidation written off	1.89	–
Bad debts and irrecoverable balances written off	1.55	1.78
Exchange difference on translation of foreign subsidiary companies	(7.86)	(9.91)
Provision for doubtful debts	1.48	0.98
Loss on assets sold, discarded or demolished	1.11	0.87
Corporate Social Responsibility	5.45	3.95
Miscellaneous expenses	57.37	56.76
	628.33	646.40

(₹ cr)

Note 28.1 Contingent liabilities	As at March 31, 2016	As at March 31, 2015
i) Claims against the Company not acknowledged as debts in respects of:		
a) Excise	7.70	7.25
b) Income tax	7.93	8.33
c) Sales tax	0.67	0.67
d) Customs	0.18	0.18
e) Water charges	89.65	79.84
f) Others	14.42	14.93
g) In respect of a customer claim amounting to ₹ 32.35 cr, the Company, based on a legal opinion, believes that the claim will not sustain.		
Note: Future cash outflows in respect of (a) to (g) above are determinable on receipt of judgements decisions pending with various forums authorities.		
ii) Guarantees given by the Company:		
Corporate guarantee to a bank on behalf of a subsidiary company for facilities availed by it.	–	9.25

Note 28.2 Financial derivatives hedging transactions:

Pursuant to the announcement issued by The Institute of Chartered Accountants of India dated March 29, 2008 in respect of forward exchange contracts and currency and interest rate swaps, the Company has applied the hedge accounting principles set out in the Accounting Standard-30 'Financial Instruments: Recognition and Measurement'. Accordingly, range forward contracts are Marked-to-Market and the gain aggregating ₹ 0.70 cr (Previous year gain ₹ 0.11 cr) arising consequently on contracts that were designated and effective as hedges of future cash flows has been recognised directly in the hedging reserve account. Actual gain or loss on exercise of these range forward contracts or any part thereof is recognised in the Consolidated Statement of Profit and Loss. Hedge accounting will be discontinued if the hedging instrument is sold, terminated or no longer qualifies for hedge accounting.

(₹ cr)

Note 28.3 Commitments	As at March 31, 2016	As at March 31, 2015
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	47.13	121.86

Note 28.4 (A) Related Party information

Name of the Related Party and nature of relationship:

No.	Name of the Related Party	Description of relationship
	Other Related Parties with whom transactions have taken place during the year	
01	Amal Ltd	Associate companies
02	Atul Ayurveda Ltd	
03	Atul Crop Care Ltd	
04	Atul Entertainment Ltd	
05	Atul Hospitality Ltd	
06	Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd)	
07	Atul Seeds Ltd	
08	Jayati Infrastructure Ltd	
09	Lapox Polymers Ltd	
10	Osia Dairy Ltd	
11	In Atul Bioscience Ltd Aagam Holding Pvt Ltd	Enterprise over which control exercised by the Key Management Personnel
12	Samveg Agencies Pvt Ltd	
13	Key Management Personnel	
	In Atul Ltd S S Lalbhai S A Lalbhai B N Mohanan T R Gopi Kannan	Chairman and Managing Director Managing Director Whole-time Director and President - U&S Whole-time Director and CFO
	In Atul Bioscience Ltd P Chebiyyam	Managing Director
	In Atul Europe Ltd E Sharkey	Director
	In DPD Ltd A L Brackpool	Director
14	Relatives of Key Management Personnel Saumya S Lalbhai Nishtha S Lalbhai	Son of S A Lalbhai Daughter of S S Lalbhai
15	Welfare funds Atul Foundation Trust Atul Kelavani Mandal Atul Rural Development Fund Atul Vidyalaya	Organisations over which significant influence exercised

Notes to the Consolidated Financial Statements

(₹ cr)

Note 28.4 (B) Transactions with associate companies		2015-16	2014-15
Sales and income			
1	Sale of goods Amal Ltd (Current year: ₹ 26,100)	–	
2	Service charges received Amal Ltd Atul Crop Care Ltd Lapox Polymers Ltd	0.29 0.20 0.07 0.02	0.21 0.21 – –
3	Lease rent received Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000) ¹		
Purchases and expenses			
1	Purchase of goods Amal Ltd	19.11 19.11	15.33 15.33
2	Service charges Amal Ltd Atul Crop Care Ltd Lapox Polymers Ltd	12.22 – 6.80 5.42	10.48 0.10 5.94 4.44
3	Reimbursements Amal Ltd Atul Crop Care Ltd Lapox Polymers Ltd	4.69 0.01 2.86 1.82	4.12 – 2.72 1.40
Other transactions			
1	Reimbursement received Amal Ltd (Current year: ₹ 11,985) Atul Crop Care Ltd (Previous year: ₹ 18,353)		– –
2	Purchase of investment in Equity shares of Atul Biospace Ltd Atul Ayurveda Ltd Atul Crop Care Ltd Atul Entertainment Ltd Atul Hospitality Ltd Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd) Atul Seeds Ltd Jayati Infrastructure Ltd Osia Dairy Ltd	0.15 0.02 0.02 0.02 0.02 0.02 0.01 0.02 0.02	– – – – – – – – –
	Purchase of investment in Equity shares of Anchor Adhesives Pvt Ltd Atul Crop Care Limited (Current year: ₹ 28,630) Lapox Polymers Ltd (Current year: ₹ 30,000)		– – –
	Purchase of investment in Equity shares of Aasthan Dates Ltd Lapox Polymers Ltd (Current year: ₹ 10)		– –
	Purchase of investment in Equity shares of Biyaban Agri Ltd Lapox Polymers Ltd (Current year: ₹ 10)		– –
	Purchase of investment in Equity shares of Raja Dates Ltd Lapox Polymers Ltd (Current year: ₹ 10)		– –
Outstanding balances as at year end			
1	Loan receivable Amal Ltd ²	14.88 14.88	14.88 14.88
2	Receivables Amal Ltd Atul Crop Care Ltd (Previous year: ₹ 3,671) Lapox Polymers Ltd (Current year: ₹ 26,390)	1.12 1.11 0.01	5.41 5.41 –
3	Payables Amal Ltd (Current year: ₹ 6,384) Atul Crop Care Ltd Lapox Polymers Ltd	1.34 0.71 0.63	– – –

¹ Under lease agreement valid from February 03, 1996 to February 02, 2093 | ² Interest free loan pursuant to Board for Industrial and Financial Reconstruction Order.

Notes to the Consolidated Financial Statements

(₹ cr)

Note 28.4 (C) Transactions with enterprises over which control exercised by Key Management Personnel		2015-16	2014-15
Purchases and expenses			
1 Reimbursement		0.02	0.01
Samveg Agencies Pvt Ltd		0.02	0.01
Other transactions			
1 Loan received		1.50	10.00
Aagam Holdings Pvt Ltd		1.50	10.00
2 Repayment of loan received		3.50	1.00
Aagam Holdings Pvt Ltd		3.50	1.00
3 Interest paid on loan		0.83	0.62
Aagam Holdings Pvt Ltd		0.83	0.62
Outstanding balances as at year end			
1 Loans payable		7.00	9.00
Aagam Holdings Pvt Ltd		7.00	9.00
2 Payable		3.98	–
Aagam Holdings Pvt Ltd ¹		3.98	–

¹ Includes acceptances for bills discounted by third parties.

(₹ cr)

Note 28.4 (D) Transactions with Key Management Personnel		2015-16	2014-15
1 Remuneration		12.08	9.75
S S Lalbhai		6.56	4.98
S A Lalbhai		2.06	1.74
B N Mohanan		1.05	0.86
S R Nammalvar		–	0.48
T R Gopi Kannan		1.41	0.47
P Chebiyyam		0.35	0.21
A L Brackpool		0.65	1.01

(₹ cr)

Note 28.4 (E) Transactions with relatives of Key Management Personnel		2015-16	2014-15
1 Remuneration		0.13	0.04
Saumya S Lalbhai		0.10	0.03
Nishtha S Lalbhai		0.03	0.01

Notes to the Consolidated Financial Statements

(₹ cr)

Note 28.4 (F) Transactions with organisations over which significant influence exercised		2015-16	2014-15
Sales and income			
1	Sale of goods	0.14	0.11
	Atul Kelavani Mandal	0.03	0.04
	Atul Rural Development Fund (Previous year: ₹ 44,300)	0.01	
	Atul Vidyalaya	0.10	0.07
	Sale of capital goods	0.01	–
	Atul Vidyalaya	0.01	–
Purchases and expenses			
1	Reimbursement		0.01
	Atul Vidyalaya (Current year: ₹ 3,000)		0.01
Other transactions			
1	Corporate Social Responsibility initiatives	4.95	3.72
	Atul Kelavani Mandal	3.64	0.42
	Atul Rural Development Fund	1.31	3.30
2	Reimbursement received	0.05	0.04
	Atul Kelavani Mandal (Current year: ₹ 46,886 and Previous year: ₹ 37,752)		
	Atul Vidyalaya	0.05	0.04
Outstanding balances as at year end			
1	Receivables	0.12	0.07
	Atul Kelavani Mandal	0.09	0.06
	Atul Rural Development Fund (Previous year: ₹ 10,824)	0.01	
	Atul Vidyalaya	0.02	0.01

Note 28.5 Segment information

a) Primary segment - business

(₹ cr)

Particulars		Life Science Chemicals		Performance and Other Chemicals		Others		Total	
		2015-16	2014-15	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
1	Segment revenue								
	Gross sales	837.34	754.06	2,009.47	2,197.14	4.51	4.77	2,851.32	2,955.97
	Less: Inter segment revenue	—	—	137.82	173.95	—	—	137.82	173.95
	Net revenue from operations	837.34	754.06	1,871.65	2,023.19	4.51	4.77	2,713.50	2,782.02
2	Segment results								
	Profit before finance cost and tax	175.22	123.86	248.17	254.99	0.77	(1.14)	424.16	377.71
	Less: Finance costs							27.57	25.69
	Less: Other unallocable expenditure (net of unallocable income)							(4.31)	26.44
	Profit before tax							400.90	325.58
3	Other information								
	Segment assets	509.36	423.18	1,166.61	1,024.17	57.23	51.14	1,733.20	1,498.49
	Unallocated common assets							408.60	324.58
	Total assets							2,141.80	1,823.07
	Segment liabilities	118.11	89.79	327.26	276.79	4.48	5.46	449.85	372.04
	Unallocated common liabilities							99.48	107.53
	Total liabilities							549.33	479.57
	Additions to assets and intangible assets	79.48	39.74	267.12	137.17	3.24	1.94	349.84	178.85
	Unallocated additions to assets and intangible assets							17.68	17.37
	Total capital expenditure *							367.52	196.22
	Depreciation	18.48	17.31	43.51	39.14	1.87	2.08	63.86	58.53
	Unallocated depreciation							1.93	1.74
	Total depreciation							65.79	60.27

b) Secondary segment - geographical

(₹ cr)

Particulars	In India		Outside India		Total	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Segment revenue	1,423.04	1,493.39	1,290.46	1,288.63	2,713.50	2,782.02
Carrying cost of assets by location of assets	1,934.73	1,661.30	207.07	161.77	2,141.80	1,823.07
Additions to assets and intangible assets*	366.92	198.36	—	—	367.52	196.22

Other disclosures:

- The Company has disclosed business segment as the primary segment which have been identified in line with the Accounting Standard-17 'Segment Reporting' taking into account the organisation structure as well as the differing risks and returns.
- Composition of business segment:

Name of segment	Comprises
a) Life Science Chemicals	APIs, API intermediates, Fungicides, Herbicides, etc
b) Performance and Other Chemicals	Adhesion promoters, Bulk chemicals, Epoxy resins and hardeners, Intermediates, Perfumery, Textile dyes, etc
c) Others	Mainly agribiotech

- The Segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.
- The Company accounts for inter segments sales and transfers at market price.

* Including capital work-in-progress and capital advances

Notes to the Consolidated Financial Statements

Note 28.6 Earning per share

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

Particulars		2015-16	2014-15
Profit for the year attributable to the Equity Shareholders	₹ cr	269.32	240.65
Basic Weighted average number of Equity shares outstanding during the year	Number	2,96,61,733	2,96,61,733
Nominal value of Equity share	₹	10	10
Basic and diluted Earning per Equity share	₹	90.80	81.13

Note 28.7 Companies considered in financial statements

No.	Name of subsidiary companies	Country of incorporation	Extent of holding
01	Aasthan Dates Ltd	India	100%
02	Anchor Adhesives Pvt Ltd ¹	India	100%
03	Atul Biospace Ltd	India	100%
04	Atul Bioscience Ltd	India	100%
05	Atul Brasil Quimicos Ltda	Brasil	100%
06	Atul China Ltd	China	100%
07	Atul Deutschland GmbH	Germany	100%
08	Atul Europe Ltd	UK	100%
09	Atul Finserv Ltd	India	100%
10	Atul Middle East FZ-LLC	UAE	100%
11	Atul Infotech Pvt Ltd	India	100%
12	Atul Rajasthan Date Palms Ltd ²	India	74%
13	Atul USA Inc	USA	100%
14	Biyaban Agri Ltd	India	100%
15	DPD Ltd ²	UK	98%
16	Gujarat Synthwood Ltd ³	India	50.82%
17	Raja Dates Ltd	India	100%

¹ Became subsidiary company during current year | ² Investment held through subsidiary companies |

³ Company under liquidation and not considered for consolidation

Notes to the Consolidated Financial Statements

Note 28.8 Details of associate companies considered in consolidation:									
No.	Name of associate companies	Country of incorporation	Main industries	Ownership interest and voting power	Original cost of investments	Amount of goodwill (Capital reserve) included in original cost	Accumulated loss (gain) at the year ended March 31	Carrying amount of investments at the year ended March 31	(₹ cr)
A	B	C	D	E	F	G	H	I	
							2016	2015	
01	Amal Ltd	India	Chemical	36.74%	5.15	(19.67)	30.69	34.39	–
02	AtRo Ltd*	India	Agriculture	50.00%	0.50	–	0.33	0.33	–
03	Atul (Retail) Brands Ltd	India	Retail	43.05%	0.03	–	0.01	–	0.01
04	Atul Ayurveda Ltd	India	Ayurvedic	41.67%	0.03	–	(0.02)	–	0.03
05	Atul Clean Energy Ltd	India	Energy	28.47%	0.02	–	0.01	–	0.01
06	Atul Crop Care Ltd	India	Agriculture	26.00%	0.01	(0.01)	(0.65)	(0.29)	0.15
07	Atul Elkay Polymer Ltd	India	Polymers	50.00%	0.03	–	0.03	0.02	0.02
08	Atul Entertainment Ltd	India	Entertainment	41.67%	0.03	–	(0.02)	–	0.03
09	Atul Hospitality Ltd	India	Hospitality	41.67%	0.03	–	(0.02)	–	0.02
10	Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd)	India	Health Care	41.67%	0.03	–	(0.07)	–	0.03
11	Atul Seeds Ltd	India	Agriculture	41.67%	0.03	–	–	–	0.02
12	Jayati Infrastructure Ltd	India	Infrastructure	41.67%	0.03	–	–	–	0.03
13	Lapox Polymers Ltd	India	Polymers	20.00%	0.01	(0.06)	(0.56)	(0.39)	0.03
14	Osia Dairy Ltd	India	Dairy	41.67%	0.03	–	–	–	0.02
15	Osia Infrastructure Ltd	India	Infrastructure	40.00%	0.02	–	–	–	0.02

* Company under liquidation. Figures are based on May 31, 2014.

Notes to the Consolidated Financial Statements

Note 28.9 Interest in joint venture company

The Company acquired 50% interest in Rudolf Kiri Chemicals Pvt Ltd, now called Rudolf Atul Chemicals Ltd (RACL), a joint venture company in India between IB Industriechemie Beteiligungs GmbH, Germany and Atul Ltd, on August 18, 2011. RACL is engaged in the business of manufacturing and marketing textile chemicals. As per the contractual arrangement between the Shareholders of RACL, both the companies have significant participating rights such that they jointly control the operations of the joint venture company. The aggregate amount of assets, liabilities, income and expenses related to the share of the Company in RACL as at and for the year ended March 31, 2016 as per the audited Financial Statements is given below:

Balance Sheet as at March 31, 2016

(₹ cr)

Particulars	As at March 31, 2016	As at March 31, 2015
Current liabilities		
Trade payables	4.10	3.41
Other current liabilities	0.86	0.43
Short-term provisions	4.49	0.73
Total (A)	9.45	4.57
Non-current assets		
Tangible assets, net	0.58	0.27
Intangible assets, net	—	0.01
Capital work-in-progress	0.24	0.11
Deferred tax assets (net)	0.05	0.08
Long-term loans and advances	1.31	1.41
	2.18	1.88
Current assets		
Inventories	3.06	2.79
Trade receivables	6.47	5.35
Cash and cash equivalents	2.32	3.77
Short-term loans and advances	5.43	0.14
Other current assets	0.03	0.61
	17.31	12.66
Total (B)	19.49	14.54
Net worth (B-A)	10.04	9.97

Note 28.9 Interest in joint venture company (continued)

Statement of Profit and Loss for the year ended March 31, 2016

(₹ cr)

Particulars	2015-16	2014-15
Revenue		
Revenue from operations	30.74	22.03
Other income	0.44	0.75
	31.18	22.78
Expenses		
Cost of materials consumed	17.71	12.89
Purchase of stock-in-trade	1.43	1.60
Changes in inventories of finished goods, work-in-progress and stock-in-trade	(0.41)	0.08
Finance costs	0.01	0.01
Depreciation and amortisation expenses	0.06	0.40
Other expenses	5.42	3.74
	24.22	18.72
Profit before tax	6.96	4.06
Tax expense		
Current tax	2.37	1.40
Deferred tax	0.04	(0.08)
	2.41	1.32
Net profit (loss)	4.55	2.74

Note 28.10 Amalgamation of Amal Ltd

The Board of Directors (Board) approved the Scheme of Amalgamation of Amal Ltd with the Company (Scheme) on December 05, 2014. The Board has approved a share swap ratio of 1 Equity share of the face value of ₹ 10 each fully paid up of Atul Ltd for every 50 Equity shares of the face value of ₹ 10 each fully paid up of Amal Ltd. In terms of the Scheme, the appointed date is April 01, 2014. The Scheme of Amalgamation has been awaiting approval from Board for Industrial and Financial Reconstruction. Pending all other statutory approvals, no effect to the above Scheme has been given in the Financial Statements. The impact of the Scheme on the Financial Statement is not expected to be material.

Notes to the Consolidated Financial Statements

Note 28.11 Additional information on subsidiary, joint venture and associate companies

		Net assets		Share in profit or loss	
No.	Name of the entity	As % of consolidated net assets	₹ cr	% of consolidated profit or loss	₹ cr
Indian subsidiary companies					
01	Aasthan Dates Ltd	0.14%	1.81	-0.10%	(0.26)
02	Anchor Adhesives Pvt Ltd	0.03%	0.40	0.00%	–
03	Atul Bioscience Ltd	1.81%	23.08	2.08%	5.59
04	Atul Biospace Ltd	0.34%	4.36	0.09%	0.24
05	Atul Finserv Ltd	0.82%	10.50	0.20%	0.55
06	Atul Infotech Pvt Ltd	0.39%	4.95	0.06%	0.17
07	Atul Rajasthan Date Palms Ltd	1.19%	15.19	0.02%	0.06
08	Biyaban Agri Ltd	0.06%	0.72	-0.11%	(0.29)
09	Raja Dates Ltd	0.32%	4.02	-0.01%	(0.02)
Foreign subsidiary companies					
01	Atul Brasil Quimicos Ltda	0.09%	1.12	-0.01%	(0.03)
02	Atul China Ltd	0.13%	1.60	0.00%	0.01
03	Atul Deutschland GmbH	0.04%	0.52	-0.02%	(0.06)
04	Atul Europe Ltd	1.85%	24.28	-1.67%	(4.49)
05	Atul Middle East FZ-LLC	0.03%	0.40	-0.04%	(0.11)
06	Atul USA Inc	0.62%	7.84	0.53%	1.43
07	DPD Ltd	0.43%	5.61	0.98%	2.63
Minority interest in subsidiary companies					₹ cr
01	Atul Europe Ltd				0.27
02	Atul Rajasthan Date Palms Ltd				5.35
					5.62
Associate companies (Investment as per the Equity method)					₹ cr
Indian					
01	Atul Ayurveda Ltd				0.04
02	Atul Clean Energy Ltd				0.01
03	Atul Crop Care Ltd				0.24
04	Atul Elkay Polymers Ltd				0.01
05	Atul Entertainment Ltd				0.04
06	Atul Hospitality Ltd				0.03
07	Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd)				0.06
08	Atul (Retail) Brands Ltd				0.01
09	Atul Seeds Ltd				0.02
10	Jayati Infrastructure Ltd				0.03
11	Lapox Polymers Ltd				0.06
12	Osia Dairy Ltd				0.02
13	Osia Infrastructure Ltd				0.02

Notes to the Consolidated Financial Statements



NOTE 28.11 Additional information on subsidiary, joint venture and associate companies (continued)

Joint venture company	Net assets		Share in profit or loss	
	As % of consolidated net assets	₹ cr	% of consolidated profit or loss	₹ cr
Proportionate consolidation				
Indian				
Rudolf Atul Chemicals Ltd	0.77%	10.04	1.69%	4.55

Note 28.12 Regrouped | Recast | Reclassified

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

Note 28.13 Rounding off

Figures less than ₹ 50,000 have been shown at actuals in bracket.

As per our attached report of even date		For and on behalf of the Board of Directors	
For Dalal & Shah Chartered Accountants LLP Firm Registration Number: 102020W W-100040		S S Lalbhai Chairman and Managing Director	
S Venkatesh Partner Membership Number: 037942	T R Gopi Kannan Whole-time Director and CFO	R A Shah S S Baijal B S Mehta H S Shah S M Datta V S Rangan M M Chitale S A Panse B R Arora <i>Directors</i>	S A Lalbhai Managing Director Mumbai April 29, 2016
	L P Patni Company Secretary		
	B N Mohanan Whole-time Director and President - U&S		
Mumbai April 29, 2016			

Notes to the Consolidated Financial Statements

Form AOC-I

{Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014}
Statement containing salient features of the financial statements of subsidiary | associate | joint venture companies

Part 'A': Subsidiary companies

No.	Name of the company	Reporting period for the concerned subsidiary company, if different from that of holding company reporting period	Reporting currency and exchange rate as on the last date of the relevant financial year in case of foreign subsidiary companies	Share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Proposed dividend	% shareholding
			Currency	Exchange Rate										(₹ cr)
01	Anchor Adhesives Private Ltd	NA	NA	NA	(0.20)	0.39	—	—	—	—	—	—	—	100%
02	Aasthan Dates Ltd	NA	NA	NA	(0.33)	1.77	—	—	—	(0.26)	—	(0.26)	—	100%
03	Atul Bioscience Ltd	NA	NA	NA	12.24	49.39	26.31	0.01	54.75	8.40	2.81	5.59	0.11	100%
04	Atul Biospace Ltd	NA	NA	NA	0.48	7.00	2.63	2.15	4.68	0.37	0.13	0.24	—	100%
05	Atul Brasil Quimicos Ltda	NA	BRL	18.45	(0.18)	1.25	0.13	—	—	0.02	—	0.02	—	100%
06	Atul China Ltd	NA	CNY	10.28	(1.43)	4.04	1.98	—	29.79	(0.50)	—	(0.50)	—	100%
07	Atul Deutschland GmbH	NA	Euro	66.33	(0.23)	0.55	0.03	—	—	(0.04)	—	(0.04)	—	100%
08	Atul Europe Ltd	NA	GBP	95.09	0.26	31.53	—	8.80	128.49	1.25	0.06	1.19	—	100%
09	Atul Finserv Ltd	NA	NA	NA	2.64	10.66	0.17	5.53	0.61	0.54	—	0.54	—	100%
10	Atul Infotech Pvt Ltd	NA	NA	NA	4.87	7.49	2.55	0.02	2.86	0.26	0.09	0.17	—	100%
11	Atul Middle East FZ-LLC	NA	AED	18.05	(0.14)	1.28	0.87	—	1.24	(0.14)	—	(0.14)	—	100%
12	Atul Rajasthan Date Palms Ltd	NA	NA	NA	12.44	23.85	3.30	—	0.10	0.16	0.10	0.06	—	74%
13	Atul USA Inc	NA	USD	66.33	4.25	38.54	21.02	—	234.30	1.27	0.39	0.88	—	100%
14	Biyaban Agri Ltd	NA	NA	NA	(0.39)	0.70	—	—	—	(0.30)	—	(0.30)	—	100%
15	DPD Ltd	NA	GBP	95.09	13.01	15.39	—	—	14.49	3.32	0.64	2.68	—	98%
16	Raja Dates Ltd	NA	NA	NA	(0.13)	4.04	0.07	—	0.01	(0.03)	—	(0.03)	—	100%

Note:

Gujarat Synthwood Ltd is under liquidation.

AED = Arab Emirates Dirham | BRL = Brazilian Real | CNY = Chinese Yuan | GBP = Great Britain Pound | USD = United States Dollar

Notes to the Consolidated Financial Statements

Part 'B': Associates and joint venture companies Statement pursuant to Section 129(3) of the Companies Act, 2013 related to associate and joint venture companies

No.	Name of the company	Latest audited Balance Sheet date	Shares of associate companies held by the company on the year end	Description of how there is significant influence	Reason why the associate joint venture company is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Accumulated profit (loss)	Profit (Loss) for the year	(₹ cr)
			No.					Considered in consolidation	Not considered in consolidation
01	Amal Ltd	March 31, 2016	2,581,277	Refer Note 1	NA	(5.02)	3.72	1.37	2.35
02	AtRo Ltd*	March 31, 2016	500,000		NA	0.33	(0.05)	(0.03)	(0.03)
03	Atul (Retail) Brands Ltd	March 31, 2016	10,000		NA	0.02	(0.01)	(0.00)	(0.01)
04	Atul Ayurveda Ltd	March 31, 2016	25,000		NA	0.03	(0.02)	(0.01)	(0.01)
05	Atul Clean Energy Ltd	March 31, 2016	10,000		NA	0.02	(0.01)	(0.00)	(0.01)
06	Atul Crop Care Ltd	March 31, 2016	12,000		NA	0.18	0.65	0.17	0.48
07	Atul Ekay Polymer Ltd	March 31, 2016	25,000		NA	0.01	(0.03)	(0.02)	(0.02)
08	Atul Entertainment Ltd	March 31, 2016	25,000		NA	0.03	0.02	0.01	0.01
09	Atul Hospitality Ltd	March 31, 2016	25,000		NA	0.03	0.02	0.01	0.01
10	Atul Aarogya Ltd (formerly known as Atul Medical Care Ltd)	March 31, 2016	25,000	Refer Note 2	NA	0.05	0.07	0.03	0.04
11	Atul Seeds Ltd	March 31, 2016	25,000		NA	0.02	—	—	—
12	Jayati Infrastructure Ltd	March 31, 2016	25,000		NA	0.02	—	—	—
13	Lapox Polymers Ltd	March 31, 2016	10,000		NA	0.12	0.56	0.11	0.45
14	Osia Dairy Ltd	March 31, 2016	25,000		NA	0.02	—	—	—
15	Osia Infrastructure Ltd	March 31, 2016	24,000		NA	0.02	—	—	—
16	Rudolf Atul Chemicals Ltd	March 31, 2016	2,918,750		NA	10.03	9.08	4.54	4.54

* Company is under liquidation.

Note:

- 1) Holds, directly or indirectly through intermediaries, 20% or more of the voting power of the enterprise.
- 2) a) By representation on the Board of Directors, participation in the policy making process.
b) Holds, directly 20% or more of the voting power of the company.

Notes

[illegible]



Atul Ltd

Registered office: Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India

Attendance slip

39th Annual General Meeting

Friday, July 29, 2016

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

Full name of the Shareholder | Proxy attending the meeting

.....
(First name)

(Middle name)

(Surname)

First holder | Joint holder | Proxy

(Strike out whichever is not applicable)

Full name of the First holder (if Joint holder | Proxy attending)

.....
(First name)

(Middle name)

(Surname)

Signature of the Shareholder | Proxy

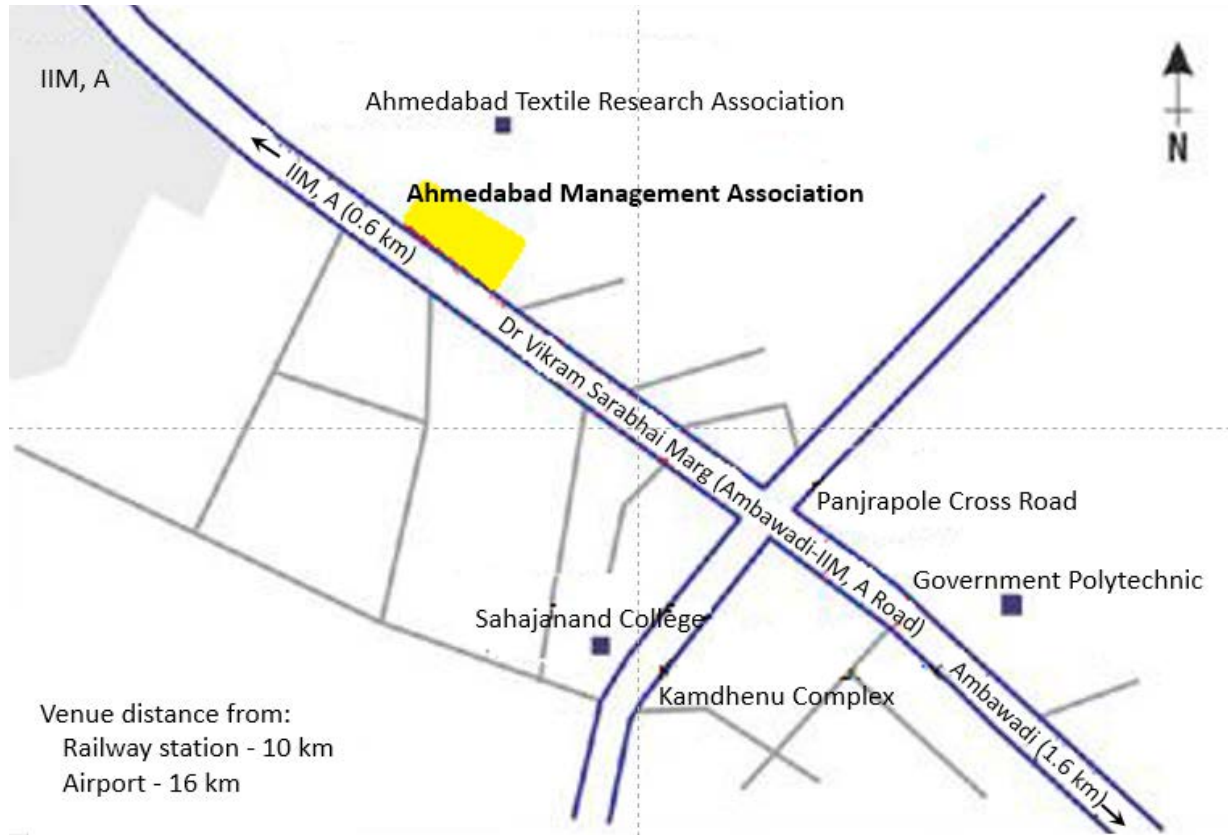




Atul Ltd

Registered office: Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India

Route map to the venue of the Annual General Meeting





Atul Ltd
Form number MGT-11
Proxy form

{Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014}
 CIN: L99999GJ1975PLC002859

Name of the Company: **Atul Ltd**

Registered office: Atul House, G I Patel Marg, Ahmedabad 380014, Gujarat, India

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

I | We, being the Member(s) of shares of the above named Company, hereby appoint

- Name:
 Address:
 E-mail address:
 Signature:, or failing him | her
- Name:
 Address:
 E-mail address:
 Signature:, or failing him | her
- Name:
 Address:
 E-mail address:
 Signature:

as my | our Proxy to attend and vote (on a poll) for me | us and on my | our behalf at the 39th Annual General Meeting of the Company, to be held on Friday, July 29, 2016 at 10:30 a.m. at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380015, Gujarat, India and at any adjournment thereof in respect of such Resolutions as are indicated below:

No.	Resolutions
1	Adoption of the Financial Statements and Reports thereon and the Consolidated Financial Statements for the financial year ended on March 31, 2016
2	Declaration of the dividend on Equity shares
3	Reappointment of Mr B S Mehta as a Director
4	Reappointment of Mr B N Mohanan as a Director
5	Appointment of Dalal & Shah Chartered Accountants LLP as the Statutory Auditors and fix their remuneration
6	Reappointment of Mr B N Mohanan as Whole-time Director
7	Ratification of remuneration of R Nanabhoy & Co for Cost Audit

Signed this ___ day of _____ 2016

Signature of the Member

Signature of the Proxy holder(s)

Affix
Revenue
Stamp
here

Note:

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

Make a difference

Even though India is amongst the fastest growing economies in the world, there is a huge scope for improving the standard of living of a large section of its citizens. Even today, our country is home to about 25% of the underfed population in the world; about 36% of its rural population continues to remain illiterate and about 7% of such population is still living in 'extreme poverty'. It is a call of our times to engage in our own small way to serve our motherland.

Ever since its inception, Atul Ltd is conducting its business in an inclusive way. Atul Rural Development Fund (ARDF), a Trust promoted in 1978 by the Company, is working to achieve sustainable development, particularly in the rural areas and help uplift the lives of the underprivileged. ARDF (2015-16 project spend: ₹ 4.21 cr, administration cost: ₹ 0.12 cr) provides a complete account of the funds received for various projects and sends its Annual Report to every donor.

If you wish to join in this endeavour of enhancing the standard of living of those less fortunate and are looking for an organisation that will channelise and direct 100% of your contribution to the projects on hand, ARDF may be a good option. Given below are some of the projects ARDF is currently implementing. If you wish to sponsor any project(s), please fill this form and send it to Dr Rana Vishnoi, Managing Trustee, ARDF, Atul 396020, Gujarat, India (E-mail address: rana_vishnoi@atul.co.in).

Contributions or donations to Atul Rural Development Fund for rural development | skill development projects qualify for 100% tax exemption under Section 35 AC | 80 GGA.

1) I wish to sponsor study material for students for 1 year:

Students (Number)	Amount (₹)	Please tick your choice
30	15,000	<input type="checkbox"/>
60	30,000	<input type="checkbox"/>
90	45,000	<input type="checkbox"/>
Other, _____	_____ (@ ₹ 500 per student)	<input type="checkbox"/>

2) I wish to sponsor course(s) for women empowerment:

Course(s) (Number)	Amount (₹)	Please tick your choice
1	30,000	<input type="checkbox"/>
2	60,000	<input type="checkbox"/>
3	90,000	<input type="checkbox"/>
Other, _____	_____ (@ ₹ 30,000 per course)	<input type="checkbox"/>

3) I wish to sponsor food for tribal children for 1 month:

Tribal children (Number)	Amount (₹)	Please tick your choice
30	50,000	<input type="checkbox"/>
60	1,00,000	<input type="checkbox"/>
90	1,50,000	<input type="checkbox"/>
Other, _____	_____ (@ ₹ 1,700 per tribal child)	<input type="checkbox"/>

4) I wish to sponsor health (general health | blood donation) camp(s):

Camp(s) (Number)	Amount (₹)	Please tick your choice
1	50,000	<input type="checkbox"/>
2	1,00,000	<input type="checkbox"/>
3	1,50,000	<input type="checkbox"/>
Other, _____	_____ (@ ₹ 50,000 per camp)	<input type="checkbox"/>

5) I wish to construct amenity blocks in a village:

Amenity block(s) (Number)	Amount (₹)	Please tick your choice
30	4,80,000	<input type="checkbox"/>
60	9,60,000	<input type="checkbox"/>
90	14,40,000	<input type="checkbox"/>
Other, _____	_____ (@ ₹ 16,000 per amenity block)	<input type="checkbox"/>

6) I wish to donate ₹ _____ towards the corpus of Atul Rural Development Fund.

My contact details are given below:

Name _____ Home | Office address _____

E-mail address: _____ Mobile telephone: _____

The donation amount may be remitted, along with the requisite information with respect to how you wish to participate (project, corpus, etc), by drawing a cheque in favour of Atul Rural Development Fund and sending it to Dr Rana Vishnoi or through RTGS as per the details given below:

Beneficiary: Atul Rural Development Fund
Account number: 10259739167

Bank: State Bank of India
IFS code: SBIN0001657

Branch: Atul

Corporate information

Directors

Mr Sunil Lalbhai
(Chairman and Managing Director)

Mr Rajendra Shah

Dr Satguru Baijal

Mr Bansi Mehta

Mr Hasmukh Shah

Mr Samveg Lalbhai
(Managing Director)

Mr Susim Datta

Mr Bharathy Mohanan
(Whole-time Director and President - Utilities and Services)

Mr Srinivasa Rangan

Mr Mukund Chitale

Mr Gopi Kannan Thirukonda
(Whole-time Director and CFO)

Ms Shubhalakshmi Panse

Mr Baldev Arora

Company Secretary

Mr Lalit Patni

Auditors

Dalal & Shah Chartered Accountants LLP

Cost Auditors

R Nanabhoy & Co

Registered office

Atul House
G I Patel Marg
Ahmedabad 380014, Gujarat
India

Head office

Atul 396020, Gujarat
India
E-mail: sec@atul.co.in
Website: www.atul.co.in

Bankers

Axis Bank
Bank of Baroda
Bank of India
Export Import Bank of India
State Bank of India

Atul Ltd
Atul House
G I Patel Marg
Ahmedabad 380014, Gujarat
India



Lalbhai Group