GROWING

by

Learning | Creating | Serving

Atul Ltd | **Annual Report 2018-19**

Kadamb (Bur-flower | Leichhardt pine) is an iconic tree of India and, amongst others, has an important place in traditional medicines – its roots are used to treat fever, bark is used to treat pain and leaves are used to treat ulcers; its fruit juice is considered to be a good lactating agent.

Kadamb tree is of particular significance for us in Atul - the first 'office' of our Company, a chair and table, functioned under a *Kadamb* tree. The roots and trunk reaffirm our relentless commitment to eternal Values and the branches and leaves our unflinching allegiance to inclusive growth.

Solidity of the trunk does not affect suppleness of the leaves.

~ Albert Einstein

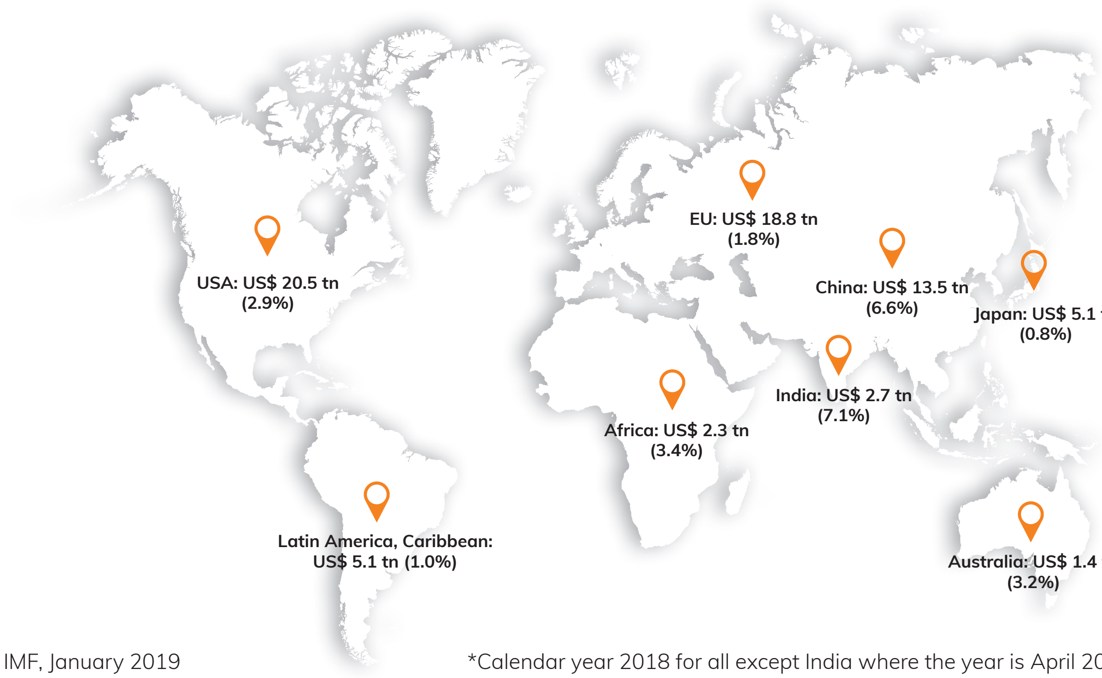
Contents

Forward looking statements

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

Recollecting 2018-19

World GDP* at 3.6% grew slower



Source: IMF, January 2019

*Calendar year 2018 for all except India where the year is April 2018 to March 2019

Crude oil, steel prices and forex rates fluctuated significantly

between US$ 50.57 and US$ 86.07 per barrel

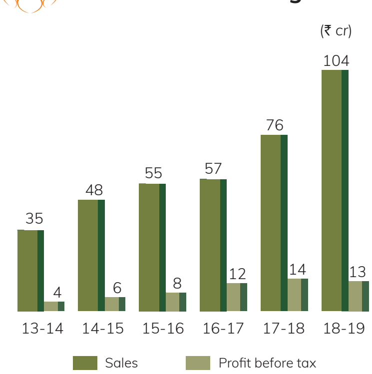
between ₹ 44,500 and ₹ 49,500 per mt

US$ vs ₹ between ₹ 64.96 and ₹ 74.38 per US$

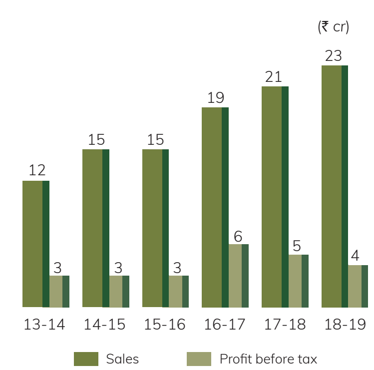
Atul grew in a comprehensive manner

- Sales at ₹ 3,845 cr and profit before tax at ₹ 652 cr increased by 26% and 64% respectively.
- Projects to make two of the four sites at Atul Complex zero liquid discharge commenced.
- 30 initiatives under 6 programs to serve the society completed.

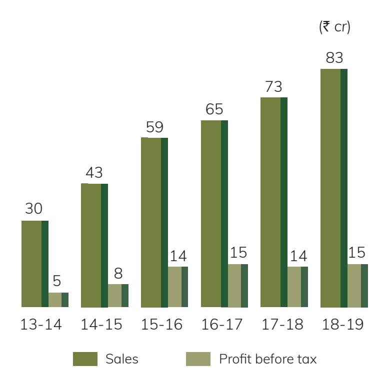
Atul Bioscience Ltd
Atul shareholding: 100%



DPD Ltd
Atul shareholding: 98%



Rudolf Atul Chemicals Ltd
Atul shareholding: 50%



Remembering Kasturbhai Lalbhai
on his 125th birth anniversary

Legacy is not what is engraved in stone monuments,
but what is woven into the lives of others.
~ Pericles Xanthippus

Born in the 19th century and lived majorly in the 20th century, Mr Kasturbhai Lalbhai created business enterprises and economic and social institutions which are wholly relevant in the 21st century, for generations that may well live to see the 22nd century and beyond.

The team Atul is committed to achieving inclusive growth.

Source: Inspiring Center, Atul Ltd, Atul 396 020, Gujarat, India

The one who plants trees, knowing that (s)he will never sit in their shade, has started to understand the meaning of life.

~ Rabindranath Tagore

Atul Foundation has identified social initiatives to pay tribute to Mr Kasturbhai Lalbhai, the Founder of our Company, on his 125th birth anniversary. Through these initiatives, the Foundation is striving to make a difference in the lives of the less privileged. We are happy to share some of the proposed initiatives as under:

Children

Education

- Support education of 125 needy children
- Provide science kits to 125 rural schools
- Conduct 125 Value workshops in schools by *Atul Adhyapikas*
- Donate 125 handwritten books to students

Health

- Organise street plays by 125 students on anaemia, health care and hygiene to create awareness amongst students in 18 rural schools

Sports

- Provide sports kits to 125 schools

Special Children

- Support 125 families with specially abled children

Farmers

Empowerment

- Provide assistance to 125 families to purchase cows
- Provide seeds to 125 farmers

Youth

Empowerment

- Provide vocational training to 125 girls to become entrepreneurs
- Train 125 teachers to talk about safety of girl child in nearby schools

Community

Health

- Support 125 patients undergoing dialysis

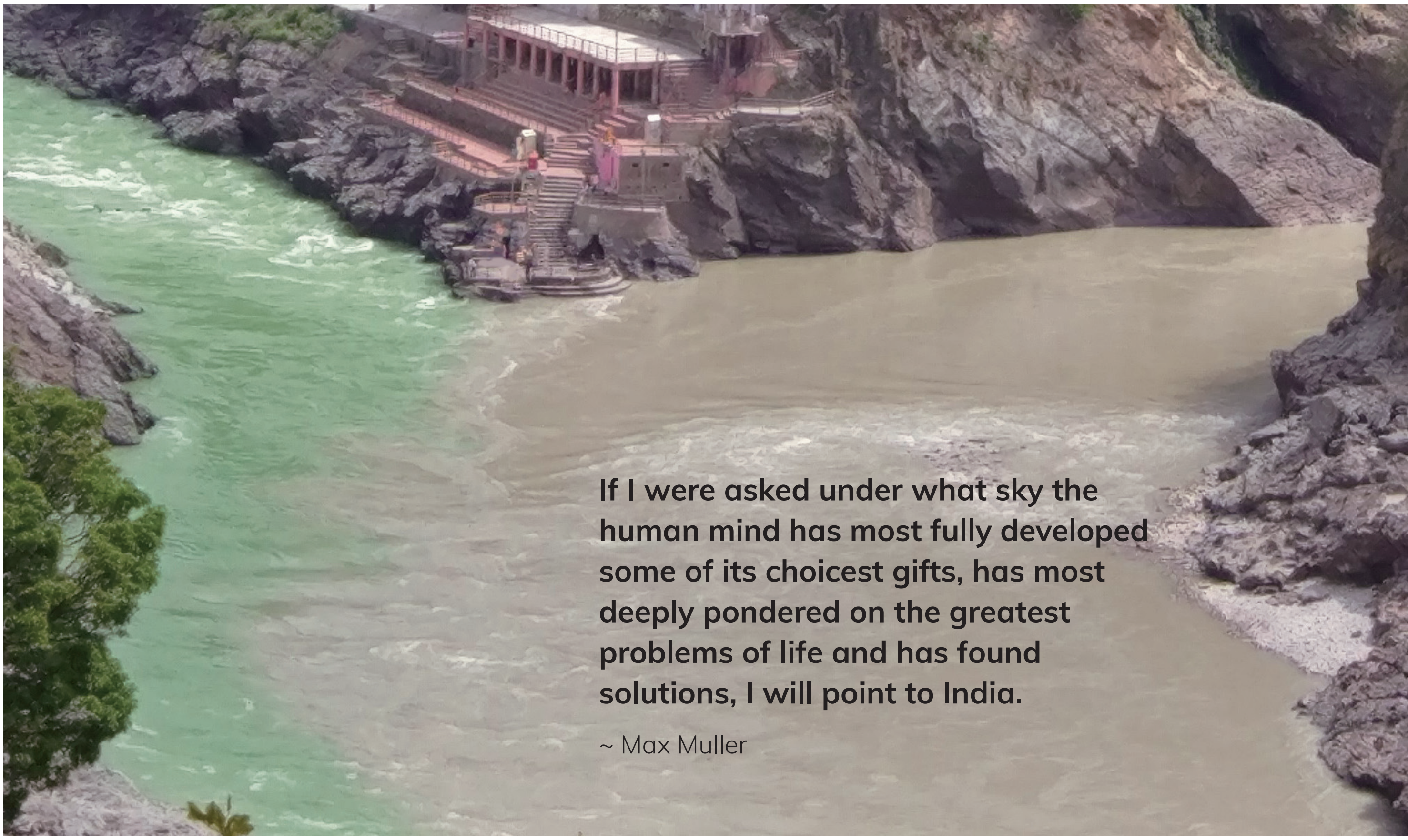
Infrastructure

- Support sustainable development of a heritage site by motivating 125 families in its neighbourhood

Conservation

- Establish a club of 125 volunteers
- Plant 125 medicinal saplings
- Train 125 girls to spread message about not using plastic in their own and nearby villages

Corporate identity



Confluence

Dev Prayag in Uttarakhand in India is the place where the Ganges river originates from the confluence of Alakananda and Bhagirathi rivers. It represents the convergence of diverse beliefs, cultures, faiths, languages and traditions that contribute to give shape to the idea of India. The Ganges, as it flows from here, carries with it the story of India, particularly its unity in diversity. The strength of Atul too is in its diversity of products and people. Together, the team Atul represents confluence of knowledge and skills with a rich legacy of Values – This makes its journey of inclusive growth by serving its customers, communities and country a fulfilling experience.

We are a diversified Indian company (a part of Lalbhai Group, one of the oldest business houses of India with a legacy of conducting business with a larger purpose) meeting the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy 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 two reporting Segments, namely Life Science Chemicals and Performance and Other Chemicals, under seven Sub-segments (interchangeably called Businesses), namely Aromatics, Bulk Chemicals and Intermediates, Colors, Crop Protection, Floras, Pharmaceuticals and Polymers – these in turn are managed through a matrix organisation structure for achieving all-round functional excellence.

Elevating past

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

  ... ...

- First private sector company of independent India inaugurated by Mr Jawaharlal Nehru, the first Prime Minister of the country
- A company that has manufactured many products for the first time in India

Encouraging present

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

Energising future

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

› Equity share capital of ₹ 30 cr, reserves of ₹ 2,620 cr and debt free status as on March 31, 2019

› Paid uninterrupted dividend* since commencement of operations in 1952 and recommended a dividend of 150%, the highest so far

› Market capitalisation increased from ₹ 57 cr in 1999 to ₹ 10,598 cr in 2019

*except one year

atul

Atul Ltd

Atul Bioscience Ltd

DPD Ltd

Atul Rajasthan Date Palms Ltd

Amal Ltd

Rudolf Atul Chemicals Ltd

Anaven LLP

Atul Brasil Quimicos Ltda

Atul China Ltd

Atul Europe Ltd

Atul Middle East FZ-LLC

Atul USA Inc

Atul Foundation

Atul Club

Catalysed by Purpose

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

fostering a spirit of continuous learning and innovation

adopting developments in science and technology

providing high quality products and services, thus becoming the most preferred partner

having people who practise Values and exemplify a high standard of behaviour

seeking sustained, dynamic growth and securing long-term success

taking responsible care of the surrounding environment

improving the quality of life of the communities we operate in

Kasturbhai Lalbhai

(1894 – 1980)

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

Balwantrai Mazumdar

(1902 – 1981)

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

Siddharth Lalbhai

(1923 – 1998)

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

Converged by Values

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

INTEGRITY

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

UNDERSTANDING

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

UNITY

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

RESPONSIBILITY

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

EXCELLENCE

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

Business model

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

Research has shown that one business model may appear superior to others when analysed in isolation, but create, deliver and capture less value than others when interactions are considered. Appraising a business model in a standalone fashion may lead to faulty assessment of its strengths and weaknesses.

CUSTOMER SEGMENTS

- Serves 27 diverse industries
- Has a portfolio of products internally classified in to Life Science Chemicals and Performance and Other Chemicals segments
- Is working to further broaden customer base

VALUE PROPOSITIONS

- Is a Value based company giving priority to people and processes
- Operates seven dissimilar sub-segments of which two have both non-retail and retail verticals
- Is an integrated manufacturer of 900 products and 450 formulations from basic chemicals

REVENUE STREAMS

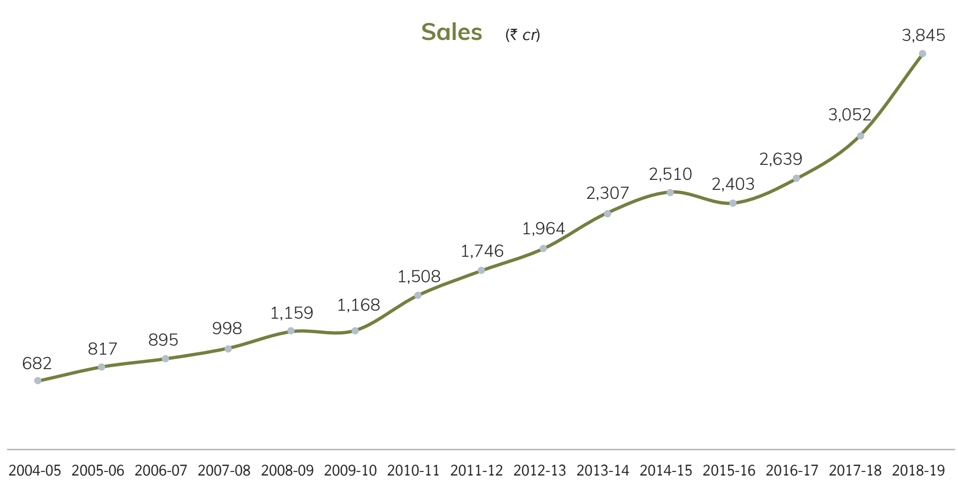
- Is growing in existing, related, downstream and value added products | formulations
- Is adding unrelated products | formulations in a slow but steady way (such as tissue cultured date palms)
- Is working to acquire and | or form joint venture entities

CUSTOMER RELATIONSHIPS

- Is supplying products to 6,000 customers for seven decades
- Has long-term contracts
- Is working to promote contract manufacturing

CHANNELS

- Works with 2,250 distributors and retailers across India and is further strengthening this route to market
- Has its own salesforce of 431 professionals and subsidiary companies in Brazil, China, the UAE, the UK and the USA
- Is further enhancing its website and promoting social media initiatives



We have added this section for the first time to give a better understanding about our Company. We have titled the components the same way as used conventionally and mentioned key strengths our Company has developed as well as improvements we are endeavouring so as to make its business model as robust as possible.

The graphs below may overall reflect a reasonable growth, but it may have been possible for our Company to do far better. We say this because, in some of the sub-segments, competitors have performed better than us. The idea to look at the past is not to regret, but to learn and improve and face the future with confidence.

KEY RESOURCES

- Uses coal, salt, water and derivatives of crude oil and manufactures value added products
- Has 2,574 team members in India and other countries and is focused on building strong people related processes
- Is having vast infrastructure at its first site of 1,250 acres and other manufacturing sites to grow further

KEY PARTNERS

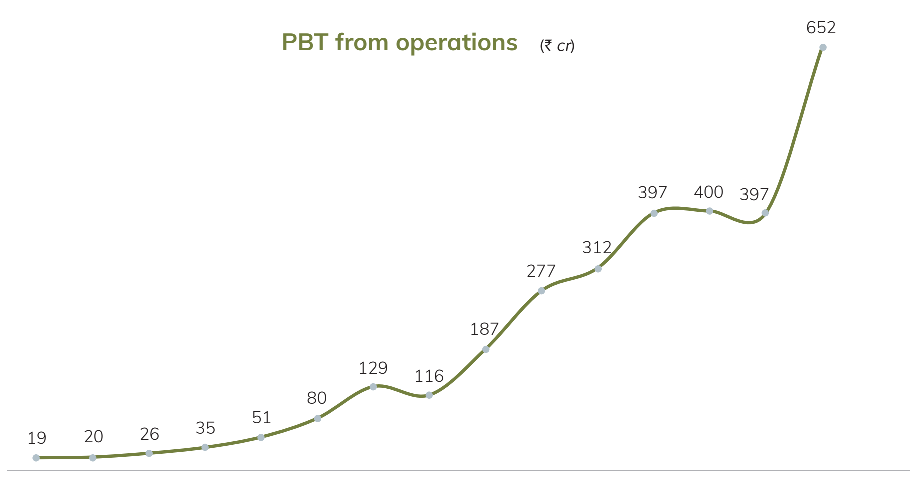
- Is held 45% by Lalbhai Group and the rest held widely - 30% institutional investors, 22% Indian public and 3% others
- Has 13 subsidiary companies and two joint venture entities
- Works on a long-term basis with suppliers, customers and other service providers

COST STRUCTURE

- Has advantage of being backward integrated and with new capacities being added, fixed cost per unit of the product is decreasing
- Has advantage of manufacturing in India
- Has a strong Balance Sheet without any debt

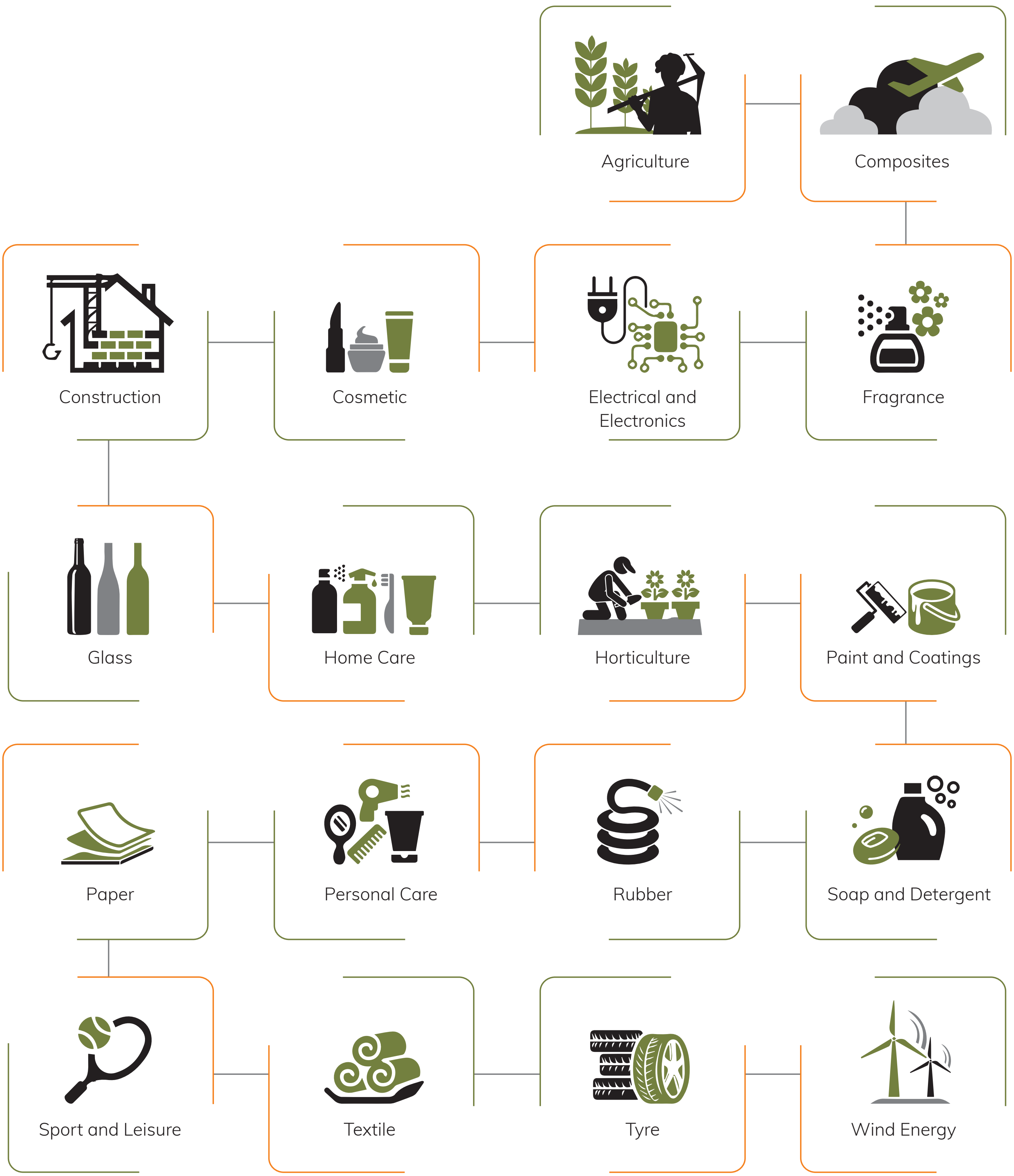
KEY ACTIVITIES

- Has a strong research and development base
- Has a long experience and expertise in manufacturing complex products using varied unit operations and unit processes
- Has sales, technical service, marketing and business development departments



Serving diverse industries

touching lives in many ways ...



Footprint

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

Manufactures about 900 products and 450 formulations

Serves about 6,000 customers in 92 countries

Owns 114 brands

Operational highlights

Consistent operational improvements earn us right to grow. Large investments in expansions, we believe, must be done on strong foundation. It is our endeavour to bring improvements across each function no matter how small they may appear. With our Company growing, we find the need to delegate and observe more and supervise and instruct less – this is possible with better processes; furthermore, in the competitive world of today, (manufacturing) efficiency, (people) productivity and (decision-making) speed are fundamental. Given below are a few initiatives we took during 2018-19:

The inferior man argues about his rights while the superior man imposes duties on himself.

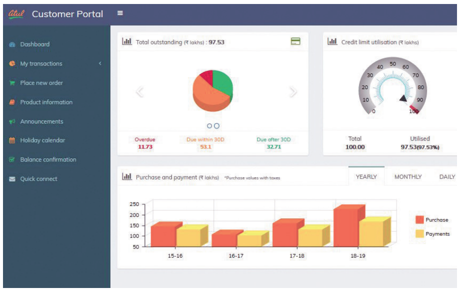
~ Wagner Soto

PEOPLE

- Rolled out a structured development plan for managers
- Initiated a process of conducting dialogues with new team members
- Signed and implemented wage settlement with unions at Ankleshwar site

SYSTEMS

- Enhanced customer experience through implementation of self-service customer portal
- Developed business intelligence dashboards for sales review and MIS
- Implemented a system-based solution to enhance forecast efficiency



SAFETY

- Implemented online system for near miss reporting as well as safety equipment inspection
- Conducted process safety training on static electricity, hazardous area classification and HAZOP
- Installed hydrogen flame detectors at hydrogen unloading area in Ankleshwar site

HEALTH

- Carried out 4,603 health checkups
- Circulated 16 health related articles
- Conducted four first aid and cardiopulmonary resuscitation first aid training workshops

ENVIRONMENT

- Introduced treatment of residue by centrifugation
- Planted 1,500 trees and developed green belt in 900 m^2 area at Ankleshwar site
- Completed ISO 14001:2015 surveillance audit

TECHNOLOGY AND MANUFACTURING

- Completed 23 projects
- Improved quality of three products
- Recovered two useful products from waste

RESEARCH AND DEVELOPMENT

- Developed 23 new products and formulations
- Increased yield of 14 products
- Decreased raw material consumption of nine products

SALES AND MARKETING

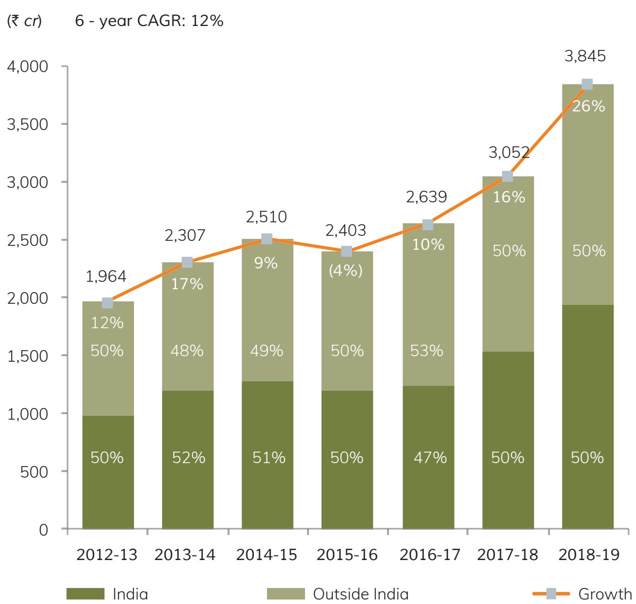
- Added 220 new customers
- Introduced 30 new products
- Entered eight new geographies

GROWTH

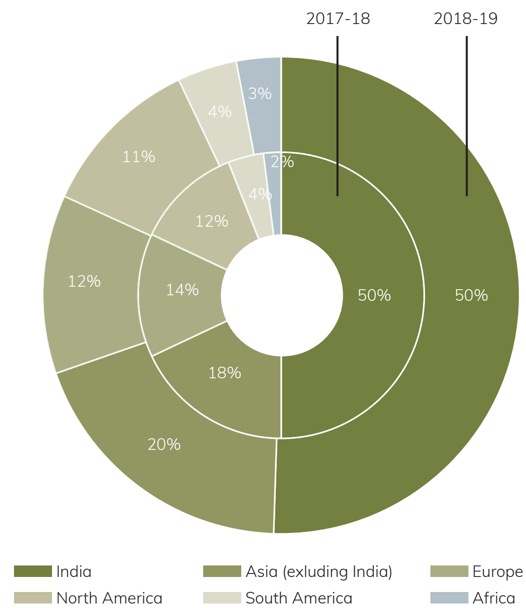
- Debottlenecked capacities in 16 products
- Improved yield of 11 products
- Executed eight expansion projects

Financial charts

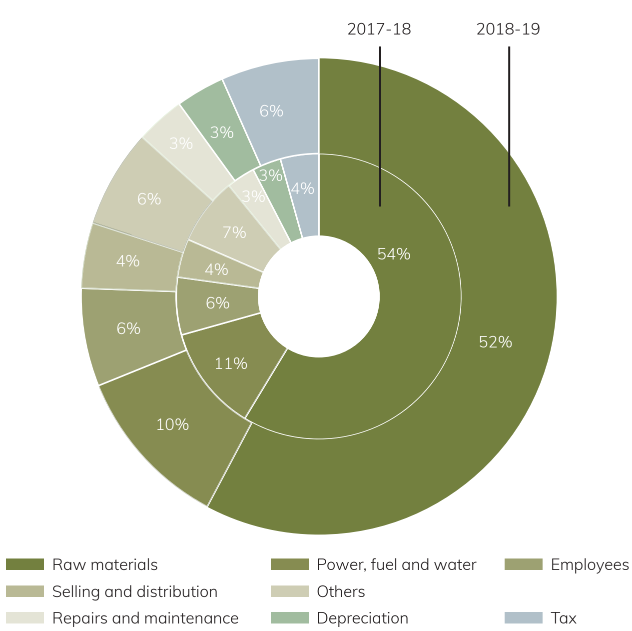
Sales



Sales by geography

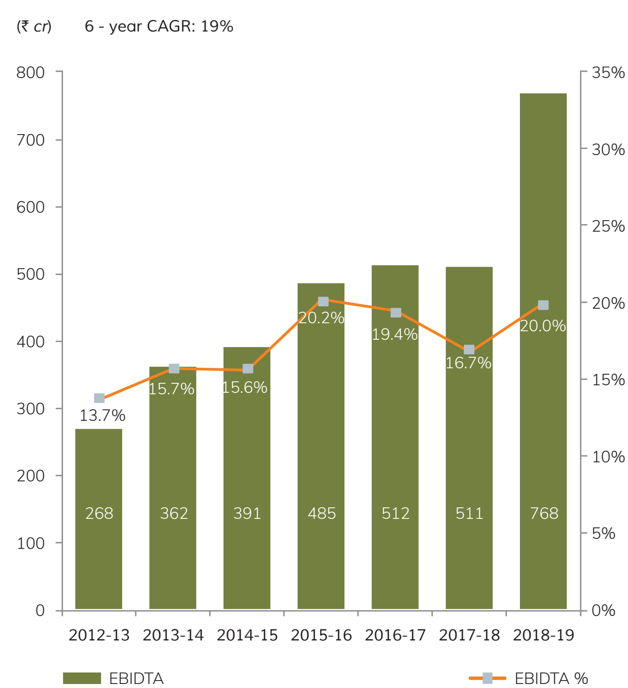


Expenses*

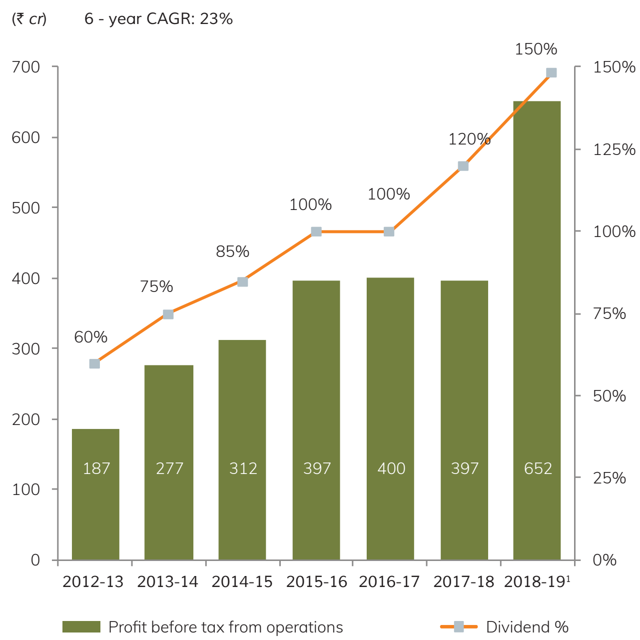


*as % of revenue

EBIDTA

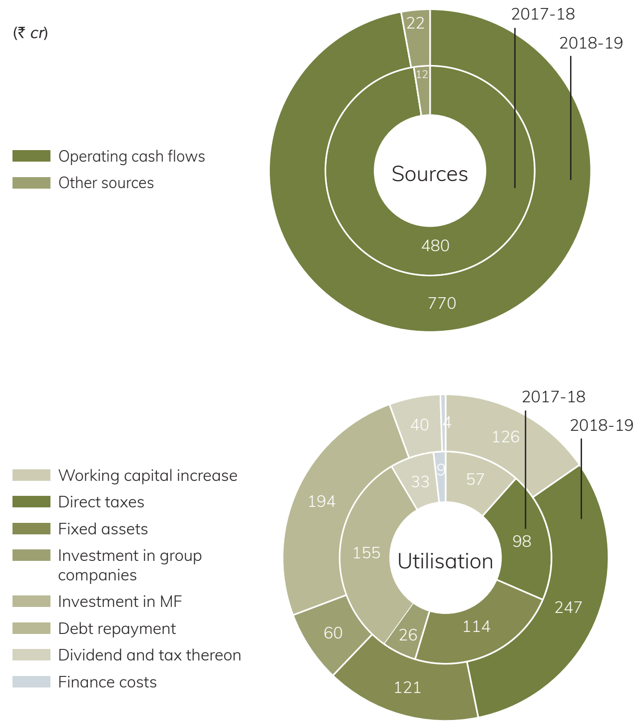


Profit before tax from operations and dividend

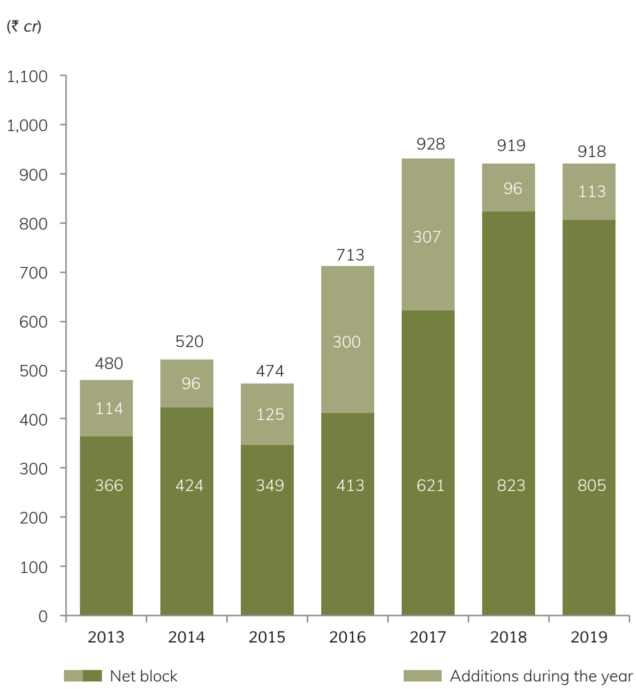


¹Recommended

Sources and utilisation of cash

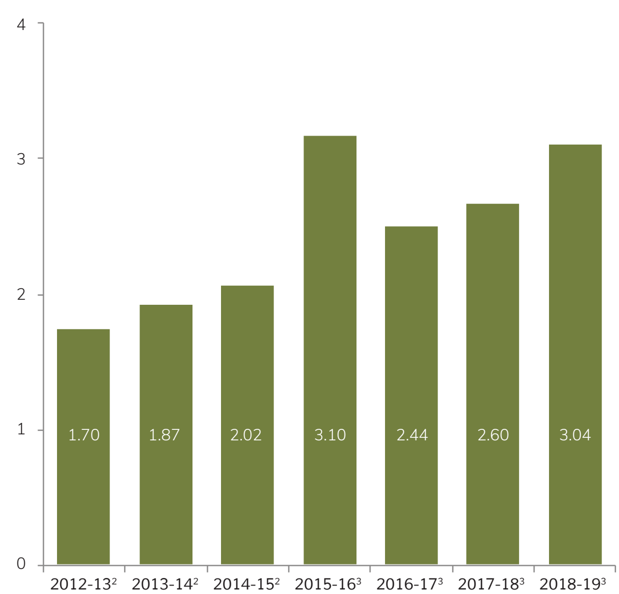


Property, plant and equipment*



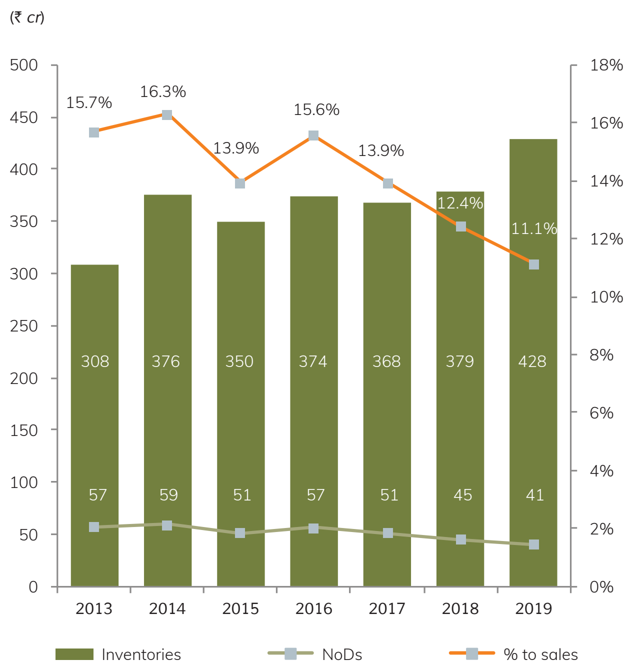
*as at March 31

Asset turnover ratio¹



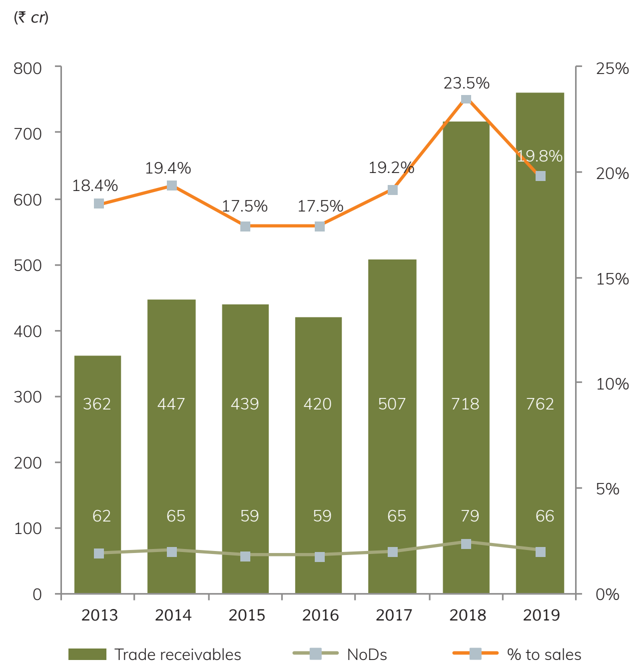
¹Excluding capital work-in-progress
²As per revised schedule VI of the Companies Act, 1956
³As per Ind AS

Inventories*



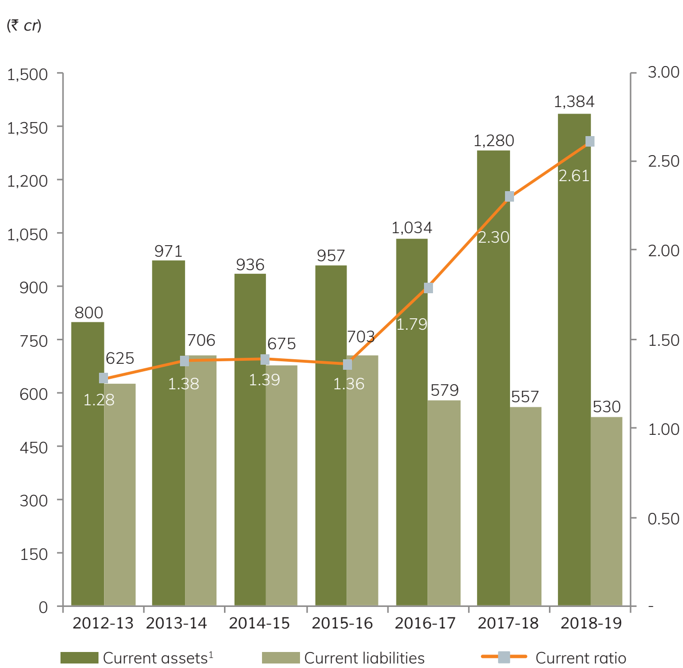
*as at March 31

Trade receivables*



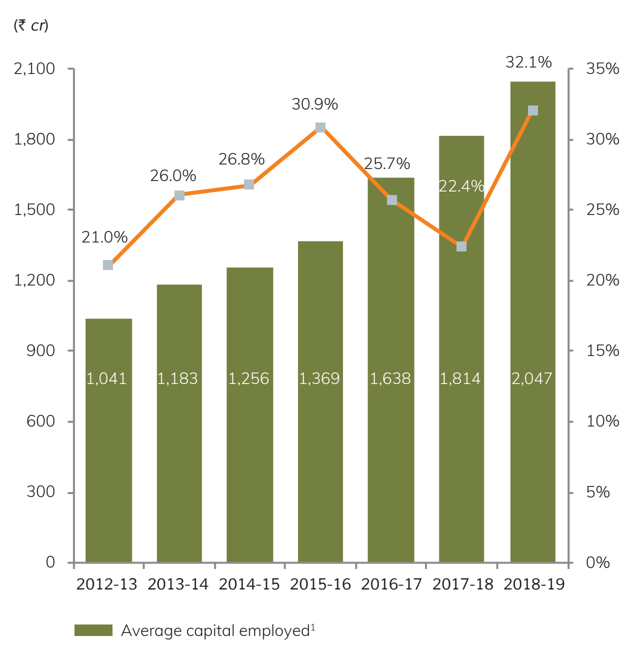
*as at March 31

Current ratio



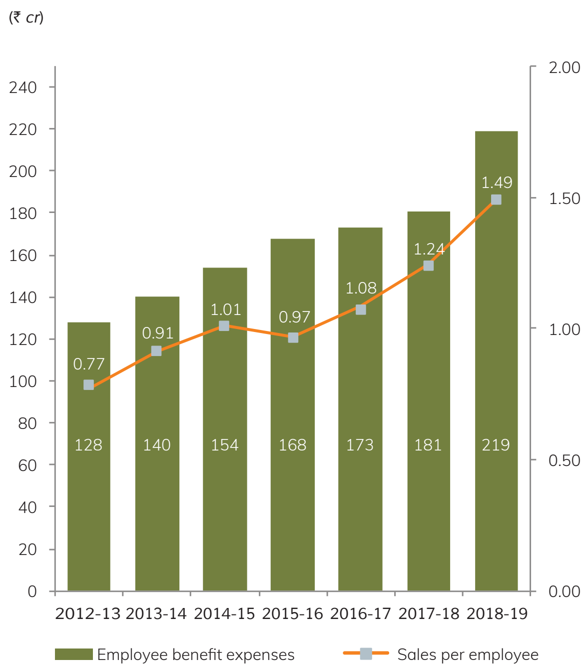
[1]Excluding liquid investment

Return on average capital employed

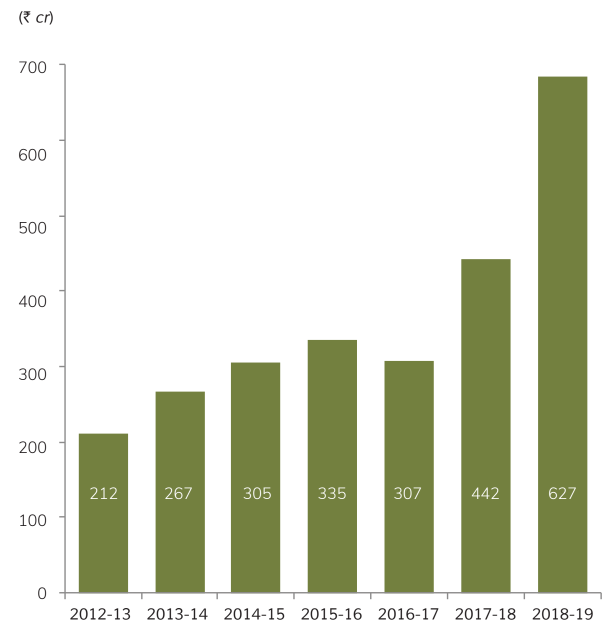


[1]Excluding capital work-in-progress | revaluation reserve
[2]Excluding exceptional | non-recurring items

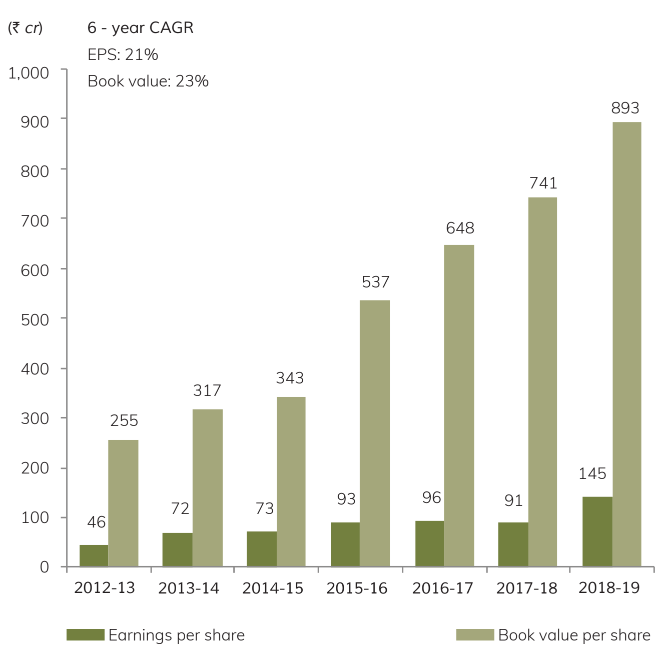
Employee benefit expenses and sales per employee



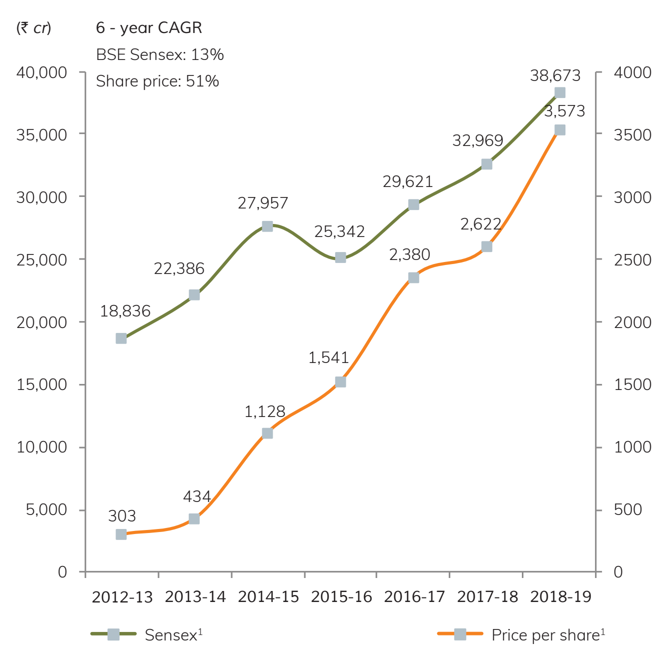
Payment to the exchequer



Earnings per share and book value per share



BSE Sensex and share price



[1]Year end closing prices

Serving the society

Our Company is proud to be a member of Lalbhai Group which has inherited a legacy of serving the society for long. Mr Kasturbhai Lalbhai, the Founder of our Company, may have been a capitalist by head, but was a socialist by head and heart – he imbibed this legacy personally and promoted it in every business enterprise he built. Atul Foundation is a symbol of his intent and that of our Company. Ultimately, what has come from the society must go back to it many times more. We are happy to share with you some of the initiatives taken by Atul Foundation.

Success is not just winning for our Company; success is winning for our country.

~ Siddharth Lalbhai

EDUCATION

- Provided quality primary education in 63 schools through 63 trained *Atul Adhyapikas*
- Conducted value workshops for children in 125 rural schools
- Distributed writing material to 3,322 students of 30 primary schools in 16 villages
- Extended financial assistance for establishment of a library in a school
- Supported 30 *agariya* children to prepare for SSC Board examinations

- Facilitated teaching through specially developed application by providing five tablets for 120 children of a rural school
- Provided better facilities for education to 240 children in an *ashramshala*
- Promoted modern way of learning by providing computers and arranging computer teachers for 406 students in two rural schools
- Contributed funds to promote research activities in Institute of Chemical Technology
- Contributed funds to publish books on culture and traditions

EMPOWERMENT

- Trained 193 students in computer literacy and 83 students in English proficiency
- Trained 364 students in 7 vocational courses at Industrial Training Institutes
- Trained 1,497 tribal students in 11 vocational courses at Atul Institute of Vocational Excellence, with 76% placement
- Trained 110 women in garment and soft toy making and beauty and styling in three villages
- Provided life skills training to 300 blind people

HEALTH

- Constructed 1,500 individual household toilets in 23 villages
- Conducted awareness sessions and provided treatment to 685 anaemic students
- Organised 27 blood donation camps in 19 villages; 2,208 blood units collected
- Organised 11 eye camps benefitting 4,151 patients in 12 villages; 171 patients were operated for cataract and 3,319 were provided spectacles
- Installed RO system to provide clean drinking water for 6,000 college students in Valsad

RELIEF

- Supported 20 poor cancer patients from 17 villages
- Helped 59 thalassemia patients from 38 villages and three cities for blood transfusion
- Distributed relief kits to 500 flood affected families in Kerala
- Provided artificial limbs to 140 physically challenged people
- Supported five deserving students with educational loans

CONSERVATION

- Planted 6,000 trees
- Planted 480 native trees
- Improved green cover | biodiversity in some parts of Atul
- Developed a garden of medicinal plants at Kalyani School
- Installed a pilot plant for waste water treatment with IIT Bombay at Atul Institute of Vocational Excellence

INFRASTRUCTURE

- Renovated four *anganwadis* in four villages
- Constructed toilets in four rural schools
- Installed street lights and paver blocks in two villages
- Constructed a roof in a *prathmik kumar shala* in Andada village
- Constructed a road in Magod Dungari village

Letter to the shareholders

Dear Shareholders,

Although we live in times of promising partnerships, technological breakthroughs and contemporary living, they are also punctuated by trade disputes, climate change and inequalities. To espouse the three pillars of sustainability – economic, environmental and social – in pertinent ways, we have with us the exemplary legacy of our visionary Founder, Mr Kasturbhai Lalbhai; it inspires us to conduct business imbibing and fostering **eternal Values and qualities** – integrity, perseverance, larger purpose, humility and attention to details – which gives us inner strength, direction and balance to perform in a constantly evolving world.

A year ago, economic activity was accelerating; 12 months later, much has changed. **World economy** at US$ 84 tn grew at 3.6% in 2018, slower than 3.7% in 2017. Indian economy at US$ 2.7 tn grew at 7.1% in 2018, higher than 6.7% in 2017 – it ranked number seven after the USA, China, Japan, Germany, the UK and France. The world economy is projected to grow slower at 3.3% in 2019 with improved prospects for the second half. Indian economy, with structural reforms, is expected to grow at 7.2% in 2019-20. Across economies, the imperatives are to enhance efficiencies, incorporate innovations and reinforce inclusiveness – they remain valid also for India and in its own way for our Company.

The two relevant industries, namely, **world Chemical industry** and **Pharmaceutical industry** at US$ 4.6 tn and US$ 1.1 tn grew by 7% and 6% respectively and together ranked number three in the world economy. Indian Chemical industry at US$ 142 bn and Indian Pharmaceutical industry at US$ 33 bn grew by 13% and 8% respectively. Everything we do and everyone we come across throughout our lifetime is touched by chemistry. With the 27 industries served by our Company expanding, its own growth will correspond to our aspirations, energy, strength in science and technology and Values – our Company is well placed, and we are as enthusiastic as ever about its businesses.

In 2018-19, our Company further improved its **performance** – it realised standalone sales of ₹ 3,845 cr, against ₹ 3,052 cr, EBITDA margin of 20% against 17%, profit before tax of ₹ 652 cr against ₹ 397 cr and RoCE of 32% against 22% in 2017-18 – consequently, earnings per share increased to ₹ 145 against ₹ 91. The Board has recommended a higher dividend (the highest so far) of 150% – the pay-out is 12.5%. I look forward to your unanimous approval – our Company is implementing nine projects with an investment of ₹ 412 cr and also making an investment of ₹ 57 cr in its subsidiary and joint venture entities - the more these investments are funded through internal accruals, the better.

Of the total rise in sales of 26% in 2018-19, only 3% came from growth in volume mainly because a few of the manufacturing assets did not run to their potential despite market demand. Our Company is expected to generate, on a standalone basis, additional sales of ₹ 846 cr from nine **new projects** under implementation (at full capacity). Two of these projects are related to environment protection - in about 15 months from now, two of the four sites of our Company at Atul are expected to become zero liquid discharge (ZLD). Ankleshwar site is already ZLD since 2012. The subsidiary and joint venture (JV) entities are also making separate investments to make their plants ZLD.

Operating **subsidiary companies** did well – Atul Bioscience crossed sales of ₹ 100 cr for the first time and acquired a manufacturing facility in Ambernath, Maharashtra; DPD is implementing an expansion project and will increase its capacity in 2019-20; Amal has steadily improved its profit. Rudolf Atul Chemicals, **JV** with Rudolf, is expanding its footprints across India. In 2018-19, these companies, together, achieved sales of ₹ 243 cr and profit before tax of ₹ 42 cr. Atul Rajasthan Date Palms, JV with the Government of Rajasthan, is stabilising its production facility. Anaven, JV with Nouryon, is expected to start production in early 2020-21 – the project is running behind schedule.

Atul Foundation continues to reaffirm the ultimate purpose of a responsible company and helps us determine if we are remaining true to our legacy. During 2018-19, the Foundation and entities under it took up initiatives in the areas of national priorities, namely, conservation, education, empowerment, health, infrastructure and relief. Kalyani School, Atul Vidyalaya and Atul Vidyamandir are considered amongst the best centers of learning and *Atul Adhyapika*, Household Toilets and Tribal Development are some very good initiatives. In its small way, the Foundation collaborated | supported other organisations in Gujarat, Kerala, Maharashtra and Rajasthan.

Dr Satguru Baijal and Mr Hasmukh Shah decided to step down as **Non-executive Directors** after 35 and 27 years respectively. Their consistent and significant contribution brought depth and breadth in the deliberations which took place in the Board and its Committee meetings; they were also a source of immense strength and learning for me – On behalf of the Board and myself, I wish to thank them for their professional role with a personal touch. My colleagues and I are grateful to the Non-executive Directors who enrich the Management with their critical analysis, deep involvement and constructive approach.

Like in Yoga, in business as well, the benefits will depend on our concentration, method, sustenance and timing. Focus, processes, perseverance and speed (as well as patience) thus become the foundation for doing well. The word Yoga when split into its syllables *ya* and *gam*, meant 'the way to go'; later it became 'the way to perfection'. Our endeavour therefore is to focus more and more on building individual and organisational capabilities.

The **direction** our Company is taking (beyond the above projects) largely puts three demands on us. The first is to improve processes by simplifying and documenting and seek excellence by questioning status-quo, innovating and being thorough. The second is to realise faster growth, powered by detailed understanding of the marketplace and workplace – without the first in place, the second is unsustainable. We are committed to growing the two relatively new, very small retail businesses with the conviction that they will help us create value in the long-term; we have yet to generate profit, but it will come with discipline, iteration and perseverance – the path to success is anything, but straight.

The third is our people; we can and will do a lot more work in this area to translate our plans in to actions. Recruiting and retaining T-shaped managers who have the appetite to go in to both depth and width of knowledge, improving processes and programs for our team members which must come from heart as much from head and developing leadership at different levels are some of the key initiatives. Our Company is fortunate to have a group of committed, hardworking and spirited people who find energy in the many tasks, trials and opportunities that lie ahead, and it is my privilege to be a part of such a group.

I thank our **customers,** particularly for their never static expectations. Though there is no one expedient solution to meet the ever rising expectations, high standards deployed at all levels of detail inside an organisation can be an important part of it, and we are striving to see this happen. The ability to provide quality products and service is in itself a reason enough to build a culture of high standards, but there are other benefits: for example, people are drawn to high standards which helps in recruiting and retaining. Our customers are thus helping us to consistently evolve, develop and create. I am sure that on a longer time scale, interests of customers and shareholders are largely aligned.

2019-20 marks the 125th birth anniversary year of Mr Kasturbhai Lalbhai. The first office of our Company consisted only a chair and table under a *Kadamb* tree, literally and figuratively conveying to nurture and expand emerging businesses and promote a culture that embraces inclusive growth – the best tribute we can pay to our legendary Founder is to grow consistently and responsibly. Although our Company has come some distance since it started, there is **much more ahead** of us than behind us, and I have every hope that our most exciting journeys are still awaiting. I pray to God to give us the courage and strength to toil so that we can go as far as our dreams.

Sincerely,

(Sunil Siddharth Lalbhai)
Chairman and Managing Director

Board of Directors


Mr R A Shah


Dr S S Baijal


Mr S S Lalbhai


Mr B S Mehta


Mr H S Shah


Mr S A Lalbhai


Mr S M Datta


Mr B N Mohanan


Mr V S Rangan


Mr M M Chitale


Mr T R Gopi Kannan


Ms S A Panse


Mr B R Arora

Directors' Report

Dear Members,

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

01. Financial results

(₹ *cr*)

	2018-19	2017-18
Sales	3,845	3,052
Revenue from operations	3,916	3,148
Other income	31	38
Total revenue	3,947	3,186
Profit before tax	652	397
Provision for tax	223	127
Profit for the year	429	270
Balance brought forward	1,637	1,397
Transfer from comprehensive income	-	3
Disposable surplus	2,066	1,670
Less:		
Dividend paid	36	30
Dividend distribution tax (net)	4	3
Balance carried forward	2,026	1,637

02. Performance

Sales increased by 26% from ₹ 3,052 cr to ₹ 3,845 cr mainly due to better price realisation. Sales in India increased by 26% from ₹ 1,538 cr to ₹ 1,937 cr. Sales outside India increased by 26% from ₹ 1,514 cr to ₹ 1,908 cr. The earnings per share increased from ₹ 91.16 to ₹ 144.51. Cash flow from operating activities before working capital changes increased by 60% from ₹ 480 cr to ₹ 770 cr and the net cash flow from operating activities increased by 22% from ₹ 325 cr to ₹ 397 cr.

Sales of Life Science Chemicals (LSC) segment increased by 26% from ₹ 1,027 cr to ₹ 1,289 cr, mainly because of higher sales in sub-segments Aromatics-I, Crop Protection and Pharmaceuticals; its EBIT increased by 81% from ₹ 120 cr to ₹ 217 cr. Sales of Performance and Other Chemicals (POC) segment increased by 26% from ₹ 2,025 cr to ₹ 2,556 cr mainly because of higher sales in sub-segments Aromatics - II and Polymers; its EBIT increased by 61% from ₹ 281 cr to ₹ 453 cr. More details are given in the Management Discussion and Analysis (MDA) Report.

03. Dividend

The Board recommends payment of dividend of ₹ 15 per share on 2,96,61,733 equity shares of ₹ 10 each fully paid-up. The dividend will entail an outflow of ₹ 53.64 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, (the Act) read with Rule 8(3) of the Companies (Accounts) Rules, 2014, as amended from time to time, forms a part of this Report which is given at page number 29.

05. Insurance

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

06. Risk management

The Board has constituted Risk Management Committee effective April 01, 2019.

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

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

ii) Risk classification – Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and a clear understanding of risk interrelationships.

iii) Risk assessment and prioritisation – Focused on determining risk priority and risk ownership for critical risks. This involves assessment of the various impacts taking into consideration risk appetite and the 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 | the Risk Management Committee periodically reviews the risk management system and gives its recommendations, if any, to the Board. The Board reviews and guides the Risk Management Policy.

Implementation

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

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

07. Internal financial controls

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

These include those policies and procedures that:

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

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

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

The Management assessed the effectiveness of the internal financial controls over financial reporting as of March 31, 2019, and the Board believes that the controls are adequate.

08. Fixed deposits

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

09. Loans, guarantees, investments and security

Particulars of loans, guarantees, investments and security provided are given at page numbers 135 and 137.

10. Subsidiary, associate and joint venture companies

During April 2019, Atul Ireland Ltd was incorporated as a wholly-owned subsidiary company in Ireland. There were no other changes in the subsidiary, associate and joint venture companies which were reported earlier.

11. Related party transactions

All the transactions entered into with the related parties were in ordinary course of business and on arm's length basis. Details of such transactions are given at page number 148. No transactions were entered into by the Company which required disclosure in Form AOC-2.

12. Corporate Social Responsibility

Composition of the Corporate Social Responsibility (CSR) Committee, the CSR Policy and the CSR Report are given at page number 33.

13. Extract of the Annual Return

This is given at page number 39.

14. Auditors

Statutory Auditors

Deloitte Haskins & Sells LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company at the 40th Annual General Meeting (AGM) held on July 28, 2017 until the conclusion of the 45th AGM.

The 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.

Cost Auditors

The Company has maintained cost records as required under the Act. The shareholders ratified the appointment of R Nanabhoy & Co as the Cost Auditors for 2018-19 on July 27, 2018.

Secretarial Auditors

The Board appointed SPANJ & Associates, Company Secretaries, as the Secretarial Auditors for 2018-19 on March 23, 2018, and their report is given at page number 52.

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 the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

15.4 The attached annual accounts for the year ended March 31, 2019 were prepared on a going concern basis.

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

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

16. Directors

16.1 Appointments | Reappointments | Cessations

16.1.1 According to Article 86 of the Articles of Association of the Company, Mr T R Gopi Kannan retires by rotation and being eligible, offers himself for reappointment at the forthcoming AGM scheduled on July 31, 2019.

16.1.2 Subject to the approval of the Members in the AGM:

i) Mr T R Gopi Kannan was reappointed as a Whole-time Director effective October 17, 2019 for a period of five years.

ii) Mr M M Chitale was reappointed as an Independent Director effective October 17, 2019 for a second term of five consecutive years.

iii) Mr B N Mohanan was reappointed as a Whole-time Director effective January 01, 2020 for a period of three years.

iv) Ms S A Panse was reappointed as an Independent Director effective March 27, 2020 for a second term of five consecutive years.

v) Mr B R Arora was reappointed as an Independent Director effective April 01, 2020 for a second term of five consecutive years.

16.1.3 Dr S S Baijal and Mr H S Shah ceased to be Independent Directors of the Company effective March 31, 2019 on expiry of their term. The Board places on record its deep appreciation for their immense contribution through sustained involvement, critical analysis and valuable guidance.

16.2 Policy on appointment and remuneration is displayed on the website of the Company at https://www.atul.co.in/investors/policies The salient features of the Policy are as under:

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 ₹ 35,000 for attending a Board, Committee and any other meeting

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

a. Membership of Committee(s)

b. Profit

c. Attendance

d. Category (Independent or Non-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 28.

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 Director – 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, Corporate Social Responsibility and Investment,

ii) the Independent Directors.

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

16.4 Familiarisation programs for the Independent Directors

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

17. Key Managerial Personnel and other employees

17.1 Appointments and cessations of the Key Managerial Personnel

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

17.2 Remuneration

The Remuneration Policy of the Key Managerial Personnel and other employees consists 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 Companies Act, 2013 read with Rule 5 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 56.

20. Corporate Governance Report

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 Practicing Company Secretary regarding compliance of the conditions of Corporate Governance pursuant to Regulation 34(3) read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is given at page number 62. Details about the number of meetings of the Board held during 2018-19 are given at page number 68. The composition of the Audit Committee is given at page number 71.

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 https://www.atul.co.in/ investors/policies

No personnel has been denied access to the Audit Committee.

20.4 Secretarial standards

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

20.5 Prevention, prohibition and redressal of sexual harassment

Details required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules thereunder are given at page number 75.

21. Business Responsibility Report

As per Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Business Responsibility Report is given at page number 83.

22. Dividend Distribution Policy

As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Dividend Distribution Policy is given at page number 89.

23. 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

Mumbai (Sunil Siddharth Lalbhai)
April 26, 2019 **Chairman and Managing Director**

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

Annexure to the Directors' Report

Index

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

1.1 Conservation of energy

1.1.1 Measures taken:

i) Optimisation of cooling water pumping system

ii) Recovery of heat from Oleum cooling

iii) Utilisation of low pressure steam in place of high pressure steam to reduce the cost of electricity generation

1.1.2 Additional investments and proposals, if any, being implemented:

i) Monitoring efficiency of utility generation

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

iii) Replacement of conventional agitators by energy efficient agitators

1.2 Technology absorption

1.2.1 Research and Development

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

The Company focused its R&D efforts on process improvement of its existing products, recovery of products from pollutants and process development of new products and formulations. The R&D departments also helped in troubleshooting in manufacturing departments.

ii) Benefits derived from R&D:

The Company increased yield of 15 products, decreased consumption of raw materials in 14 products, decreased consumption charge of 10 solvents, recovered 12 products from pollutants and introduced 23 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.

iv) R&D expenditure:

(₹ cr)

Capital	Recurring	Total	Total R&D expenditure as a percentage of total sales
5.22	22.94	28.16	0.73%

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 by 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 and import substitution:

The above efforts have resulted in improvement in quality, increase in yields, increase in throughput and decrease in manpower.

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

The Company did not import any technology.

1.3 Foreign exchange earnings and outgo

1.3.1 Export sales: activities, development initiatives and future plans

The Company sold its products in 92 countries, directly and through its subsidiary companies in the USA, the UK, the UAE, China and Brazil. Sales outside India* increased by 27% from ₹ 1,478 cr to ₹ 1,874 cr mainly due to higher prices 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 earnings and outgo

(₹ cr)

Particulars	2018-19	2017-18
Earnings		
Exports – FOB value	1,874.27	1,477.69
Dividends, etc	0.19	6.25
Outgo		
Loan repayment	-	69.16
Payment for raw materials, books and periodicals, dividend, etc	764.78	602.50

2. Subsidiary, associate and joint venture companies | entities and joint operations

2.1 Operational

(₹ *cr*)

No.	Name	Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
	Subsidiary companies												
01.	Amal Ltd	9.43	6.91	32.63	16.29	0.02	32.87	9.98	2.23	7.75	-	52.86%	INR
02.	Atul Bioscience Ltd	15.39	46.26	160.10	98.45	0.01	105.10	12.68	4.62	8.06	0.17	100.00%	INR
03.	Atul Biospace Ltd	10.57	2.95	13.74	0.22	7.90	9.12	1.23	0.35	0.88	-	100.00%	INR
04.	Atul Brasil Quimicos Ltda	1.25	(1.09)	0.59	0.43	-	1.15	0.07	-	0.07	-	100.00%	BRL
05.	Atul China Ltd	3.50	1.42	32.52	27.60	-	144.94	2.39	0.38	2.01	-	100.00%	CNY
06.	Atul Crop Care Ltd	0.05	2.10	2.95	0.80	0.14	9.92	0.75	0.20	0.55	-	26.00%	INR
07.	Atul Europe Ltd	29.77	3.26	93.73	60.70	8.37	209.90	1.99	0.36	1.63	-	100.00%	GBP
08.	Atul Finserv Ltd	30.52	40.24	70.92	0.16	64.48	1.00	0.20	(0.16)	0.36	-	100.00%	INR
09.	Atul Infotech Pvt Ltd	0.24	16.70	17.39	0.45	0.02	3.43	0.25	0.07	0.18	-	100.00%	INR
10.	Atul Middle East FZ-LLC	0.57	(0.07)	1.14	0.64	-	1.14	0.23	-	0.23	-	100.00%	AED
11.	Atul Rajasthan Date Palms Ltd	8.11	0.96	21.35	12.28	-	0.80	0.25	0.01	0.24	-	74.00%	INR
12.	Atul USA Inc	13.83	7.43	46.47	25.21	-	309.14	4.45	0.97	3.48	-	100.00%	USD
13.	DPD Ltd	2.26	15.56	30.03	12.21	-	22.71	3.83	0.45	3.38	-	98.00%	GBP
14.	Lapox Polymers Ltd	0.05	1.61	3.13	1.47	0.11	11.22	0.67	0.18	0.49	-	20.00%	INR
	Joint venture company												
01.	Rudolf Atul Chemicals Ltd	5.84	27.24	47.20	14.12	-	83.72	15.28	4.55	10.73	-	50.00%	INR

2.2 Non-operational

(₹ *cr*)

No.	Name	Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Turnover	Profit before tax	Provision for tax	Profit after tax	Dividend	% shareholding	Reporting currency
	Subsidiary companies												
01.	Aaranyak Urmi Ltd	0.21	(0.06)	0.34	0.19	-	0.29	(0.06)	-	(0.06)	-	100.00%	INR
02.	Aasthan Dates Ltd	2.10	(0.36)	1.74	-	-	0.02	(0.01)	-	(0.01)	-	100.00%	INR
03.	Anchor Adhesives Pvt Ltd	0.59	(0.14)	0.45	-	-	0.03	0.03	0.01	0.02	-	100.00%	INR
04.	Atul Aarogya Ltd	0.06	0.07	0.13	-	0.05	-	-	-	-	-	41.67%	INR
05.	Atul Ayurveda Ltd	0.06	0.02	0.08	-	0.03	-	-	-	-	-	41.67%	INR
06.	Atul Clean Energy Ltd	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	28.47%	INR
07.	Atul Deutschland GmbH	0.78	(0.35)	0.28	(0.15)	-	-	(0.04)	-	(0.04)	-	100.00%	Euro
08.	Atul Elkay Polymers Ltd	0.05	(0.11)	0.07	0.13	0.01	-	-	-	-	-	50.00%	INR
09.	Atul Entertainment Ltd	0.06	0.02	0.08	-	0.03	-	-	-	-	-	41.67%	INR
10.	Atul Fin Resources Ltd	2.50	0.19	2.69	-	-	0.16	0.16	0.04	0.12	-	100.00%	INR
11.	Atul Hospitality Ltd	0.06	0.02	0.08	-	0.01	-	-	-	-	-	41.67%	INR
12.	Atul Nivesh Ltd	2.50	0.19	2.69	-	-	0.16	0.16	0.04	0.12	-	100.00%	INR
13.	Atul (Retail) Brands Ltd	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	43.05%	INR
14.	Atul Seeds Ltd	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	41.67%	INR
15.	Biyaban Agri Ltd	1.09	(0.56)	0.53	-	-	0.01	(0.06)	-	(0.06)	-	100.00%	INR
16.	Jayati Infrastructure Ltd	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	41.67%	INR
17.	Osia Dairy Ltd	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	41.67%	INR
18.	Osia Infrastructure Ltd	0.06	(0.01)	0.06	0.01	0.04	-	-	-	-	-	40.00%	INR
19.	Raja Dates Ltd	4.10	(0.44)	3.73	0.07	-	0.03	(0.09)	-	(0.09)	-	100.00%	INR
	Joint operations												
01.	Anaven LLP	93.73	(0.99)	181.27	88.53	-	0.67	(0.94)	0.07	(1.01)	-	50.00%	INR

AED: United Arab Emirate 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, 2019 are 1 AED = ₹ 18.86, 1 BRL = ₹ 17.66, 1 CNY = ₹ 10.32, 1 Euro = ₹ 77.70, 1 GBP = ₹ 90.48, 1 USD = ₹ 69.17
Gujarat Synthwood Ltd (subsidiary company) is under liquidation.

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 three broad programs: i) Education and Empowerment, ii) Health and Relief and iii) Infrastructure and Conservation 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 medical care centers
   e) Assist during natural calamities

iii) Infrastructure and Conservation
   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:

https://www.atul.co.in/pdf/investors/policies/CSR.pdf

3.2 Committee

» S A Panse (Chairperson)
» S S Lalbhai
» B N Mohanan

3.3 Expenditure: determination and actual spent

(₹ *cr*)

Particulars	Amount
Average net profit of the Company of the last three financial years	393.87
Prescribed CSR expenditure, at 2% of above	7.88
Total amount spent for the financial year	7.90
Amount unspent by the Company	Nil

3.4 Manner in which spent

(₹ *lakhs*)

No.	Program	Project | Activity	Location Village, District (State)	Outlay for the year Budget	 Spent	Cumulative expenditure up to reporting period[1]	Implementing agency
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
01.	Education	Enhancement of education practices in Kalyani Shala	Atul, Valsad (Gujarat)	50.00	50.00	300.00	AFT | Atul Kelavani Mandal
02.		Improvement of teaching methodology in primary schools	53 villages[2], Valsad (Gujarat)	20.00	20.00	37.00	AFT | ARDF
03.		Enhancement of rural education	18 villages[3], Valsad (Gujarat)	9.00	9.05	9.05	AFT | ARDF
04.		Promotion of educational facilities in an *ashram shala*	Pardi, Valsad (Gujarat)	3.00	3.00	3.00	AFT | Shree Vallabh Seva Kendra
05.		Promotion of research activities at Institute of Chemical Technology	Mumbai (Maharashtra)	1.00	1.00	1.00	AFT | Institute of Chemical Technology
06.		Conservation of manuscripts	Ahmedabad (Gujarat)	12.50	12.50	25.00	AFT | L D Bhartiya Sanskruti Vidyamandir
07.		Provision of tablets to a rural school	Vijaynagar Satara (Maharashtra)	1.50	1.50	1.50	AFT | Zilla Panchayat *Prathmik shala*, Vijayanagar
08.		Contribution towards publication of books on Indian culture | ecology | philosophy	Jaipur (Rajasthan)	3.00	3.00	3.00	AFT | Prakrit Bharati Academy
09.		Promotion of Indian classical music	Pardi, Valsad (Gujarat)	0.50	0.50	0.50	AFT | Kalayatan
10.	Empowerment	Empowerment of women through vocational training courses	three villages[4], Valsad (Gujarat)	4.50	4.41	4.41	AFT | ARDF
11.		Enhancement of computer and English language skills	Atul, Valsad (Gujarat)	3.50	3.56	3.56	AFT | ARDF
12.		Empowerment of blind people by teaching them life skills	Thiruvananthapuram (Kerala)	5.00	5.00	5.00	AFT | Jyotirgamaya Foundation
13.		Skill training to youth as apprentices	Atul, Valsad (Gujarat)	176.00	176.33	176.33	Atul Ltd

(₹ lakhs)

No.	Program	Project | Activity	Location Village, District (State)	Outlay for the year Budget	Spent	Cumulative expenditure up to reporting period[1]	Implementing agency
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
14.	Health	Improvement of hygiene through construction of toilets	23 villages[5], Valsad (Gujarat)	200.00	200.00	647.00	AFT | ARDF
15.		Upgradation of sports infrastructure and equipment	Atul, Valsad (Gujarat)	50.00	50.00	110.00	AFT | ARDF
16.		Enhancement of rural health	30 villages[6], Valsad (Gujarat)	7.75	7.81	7.81	AFT | ARDF
17.		Upgradation of medical equipment in a hospital	Laxmipura, Sabarkantha (Gujarat)	12.50	12.50	25.00	AFT | Gyanmandal Laxmipura Group Prerit Arogya Mandal
18.		Provision of artificial limbs to physically handicapped people	Jaipur (Rajasthan)	5.00	5.00	5.00	AFT | Bhagvan Mahaveer Viklang Sahayta Samiti
19.		Provision of clean water facility to students	Valsad (Gujarat)	3.00	3.00	3.00	AFT | Nootan Kelavani Mandal
20.		Promotion of sports	Valsad (Gujarat)	0.50	0.50	0.50	AFT | Bulsar District Cricket Association
21.		Support to institutes and ITIs by enhancing health facilities and sports equipment	Bharuch and Narmada (Gujarat)	5.00	5.00	5.00	AFT | ITI Ankleshwar ITI Sagbara Seva Yagna Samiti
22.		Contribution for establishing CT scan facility in a hospital	Valsad (Gujarat)	10.00	10.00	10.00	AFT | ARDF | Kasturba Vaidyakiya Rahat Mandal
23.	Relief	Provision of free farm kits and fertilisers at subsidised rates to farmers	Haria, Valsad (Gujarat)	2.50	2.49	2.49	AFT | ARDF
24.		Provision of medical assistance to needy people	Atul (Gujarat)	4.00	3.89	3.89	AFT | ARDF
25.		Upliftment of quality of life of salt pan workers	Kharaghoda, Surendranagar (Gujarat)	5.00	5.00	15.00	AFT | ARDF
26.		Provision of blood units to thalassemia patients	Valsad (Gujarat)	7.00	7.00	7.00	AFT | Valsad Raktdan Kendra
27.		Contribution for advance treatment of cancer patients	Karamsad Anand (Gujarat)	5.00	5.00	5.00	AFT | Charutar Arogya Mandal
28.		Provision of relief kits to Kerala flood victims	Kochi (Kerala)	10.00	10.00	10.00	AFT | Evangelical Social Action Forum

(₹ *lakhs*)

No.	Program	Project | Activity	Location Village, District (State)	Outlay for the year Budget	Outlay for the year Spent	Cumulative expenditure up to reporting period[1]	Implementing agency
	(A)	(B)	(C)	(D)	(E)	(F)	(G)
29.	Infrastructure	Provision of infrastructure support for institution building	Chanvai, Valsad (Gujarat)	3.00	3.00	3.00	AFT | World Renewal Spiritual Trust
30.		Enhancement of rural infrastructure	6 villages[7], Valsad (Gujarat)	58.75	58.79	58.79	AFT | ARDF
31.		Renovation of schools and *anganwadi* infrastructure	8 villages[8], Valsad (Gujarat)	50.00	50.00	50.00	AFT | ARDF
32.		Provision of infrastructure support to a crematorium	Tarapur (Maharashtra)	0.50	0.50	0.50	AFT
33.		Provision of infrastructure support to schools and *anganwadis*	3 villages[9], Bharuch (Gujarat)	10.00	10.00	10.00	AFT | ARDF
34.	Conservation	Afforestation	Atul, Valsad (Gujarat)	2.00	1.52	1.52	Atul Ltd
35.		Upgradation of facilities in a crematorium	Atul, Valsad (Gujarat)	10.00	10.00	20.00	AFT | Atul Parnadi Muktidham Trust
36.	Various	Various	-	-	-	1,428.79	Various
Total direct expenditure				751.00	750.85	2,998.64	
Administrative overheads (OH)				39.00	38.99	116.95	
Total (direct expenditure + OH)				790.00	789.84	3,115.59	

AFT: Atul Foundation Trust

ARDF: Atul Rural Development Fund Trust

[1]Since April 01, 2014

[2]53 villages covered by *Atul Adhyapika:* Ambatalat, Ambavadi, Ashlona, Avdha, Balamarai, Bamnamaldur, Baroliya, Barpuda, Bartad, Barumal, Bhensdara, Bilpudi, Burla, Chasvad, Chichozar, Dafkhal, Dhanveri, Dighi, Divatan, Dulasad, Faldhara, Fulwadi, Gadi, Ghotan, Govat, Gundiya, Jam Gabhan, Jogwel, Kakadkuva, Kanajveri, Kangvi, Karjun, Kelvani, Kevdi, Khadakval, Kosimpada, Kothar, Luheri, Makadban, Mandva, Ozar (Dharampur), Ozar (Valsad), Paikhed, Panas, Rupvada, Sadadvera, Sidumber, Sutharpada, Tiskari, Ugta, Varoli, Vathoda and Zariya

[3]18 villages covered under rural education initiatives: Atul, Atar, Bhagod, Binwada, Chanvai, Dived Dungarwadi, Haria, Kukeri, Magod, Magod Dungri, Mama Bhacha, Meh, Nandavala, Parnera, Rabada, Sukhesh, Umarsadi Desaiwad and Umarsadi Machiwad

[4]Three villages covered under women empowerment initiatives: Atul, Mograwadi and Ozarpada

[5]23 villages covered under sanitation project: Anjlav, Atak Pardi, Atul, Balda, Borlai, Chichai, Fladhara, Gadaria, Kachval, Kanjan Ranchod, Kotlav, Magod Dungri, Nanakvada, Nevri, Panchalai, Pariya, Parvasa, Pathari, Rabada, Segvi, Survada, Umarsadi Desaiwad and Umarsadi Macchivad

[6]30 villages covered under rural health initiatives: Abrama, Arnala, Atul, Bamanvel, Bartad, Bhutsar, Chanvai, Dhamdachi, Dharampur, Dungri, Gauri, Gadi, Haria, Kachigam, Kanbai, Kanjan Hari, Kaprada, Magod Dungri, Mandav Khadak, Ozarpada, Panchalai, Pardi, Parnera, Pati, Pitha, Shukhbari, Umarsadi Machiwad, Vadgam, Valsad Tiwad and Vankal

[7]Six villages covered under infrastructure development: Atul, Bhagod, Dived Dungarwadi, Haria, Magod Dungri and Parnera

[8]Eight villages covered under school toilet construction and *anganwadi* renovation: Abrama, Atar, Bagod, Kotlav, Magod, Magod Dungri, Meh and Parnera

[9]Three villages covered under school and *anganwadi* infrastructure development in Ankleshwar: Andada, Digas and Mandola

3.5 Implementing agencies

3.5.01 Atul Foundation Trust (Atul, Gujarat):

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

3.5.02 Atul Rural Development Fund (Atul, Gujarat):

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

3.5.03 Atul Kelavani Mandal (Atul, Gujarat):

Established in 1955, Atul Kelavani Mandal manages Kalyani Shala.

3.5.04 Shree Vallabh Seva Kendra (Pardi, Gujarat):

Established in 1978, Shree Vallabh Seva Kendra provides academic and technical education.

3.5.05 Institute of Chemical Technology (Mumbai, Maharashtra):

Established in 1933, Institute of Chemical Technology is a premier institute for education and research in Chemical Technology.

3.5.06 L D Bhartiya Sanskruti Vidyamandir (Ahmedabad, Gujarat):

Established in 1956, L D Bhartiya Sanskruti Vidyamandir preserves rare art, manuscripts and archaeological objects.

3.5.07 Zilla Panchayat *Prathmik shala*, Vijayanagar (Man, Maharashtra):

Established in 1994, Zilla Panchayat Prathmik Shala, Vijayanagar provides education to children.

3.5.08 Prakrit Bharati Academy (Jaipur, Rajasthan):

Established in 1977, Prakrit Bharati Academy publishes books in Prakrit, Sanskrit and other Indian languages.

3.5.09 Kalayatan (Pardi, Gujarat):

Established in 1996, Kalayatan preserves, nurtures and promotes Indian classical music.

3.5.10 Jyotirgamaya Foundation (Thiruvananthapuram, Kerala):

Established in 2015, Jyotirgamaya Foundation empowers blind people through various initiatives.

3.5.11 Gyan Mandal Laxmipura Group Prerit Arogya Mandal (Laxmipura, Gujarat):

Established in 1984, Gyan Mandal Laxmipura Group Prerit Arogya Mandal provides low cost health services to the rural people.

3.5.12 Bhagvan Mahaveer Viklang Sahayata Kendra (Jaipur, Rajasthan):

Established in 1975, Bhagvan Mahaveer Viklang Sahayata Kendra provides artificial limbs to physically handicapped people.

3.5.13 Nootan Kelavani Mandal (Valsad, Gujarat):

Established in 1956, Nootan Kelavani Mandal runs hostels and colleges for higher education.

3.5.14 Bulsar District Cricket Association (Valsad, Gujarat):

Established in 1968, Bulsar District Cricket Association promotes cricket by developing cricket players and organising cricket tournaments.

3.5.15 Industrial Training Institute (Ankleshwar, Gujarat):

Established in 1963, Industrial Training Institute, Ankleshwar trains youth in various vocational trades.

3.5.16 Industrial Training Institute (Sagbara, Gujarat):

Established in 1986, Industrial Training Institute, Sagbara trains youth in various vocational trades.

3.5.17 Seva Yagna Samiti (Bharuch, Gujarat):

Established in 2002, Seva Yagna Samiti provides free health services to poor, destitute and needy patients.

3.5.18 Kasturba Vaidyakiya Rahat Mandal (Valsad, Gujarat):

Established in 1944, Kasturba Vaidyakiya Rahat Mandal provides health services and treatments to poor patients.

3.5.19 Valsad Raktdan Kendra (Valsad, Gujarat):

Established in 1984, Valsad Raktdan Kendra provides voluntary blood bank services.

3.5.20 Charutar Arogya Mandal (Karamsad, Gujarat):

Established in 1972, Charutar Arogya Mandal provides health care facilities at subsidised rates | free of cost to the underprivileged.

3.5.21 World Renewal Spiritual Trust (Chennai, Gujarat):

Established in 1968, World Renewal Spiritual Trust promotes and carries out research on ancient Indian culture, yoga and philosophy.

3.5.22 Atul Parnadi Muktidham Trust (Atul, Gujarat):

Established in 1999, Atul Parnadi Muktidham Trust provides cremation facilities.

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	Chairperson CSR Committee
S S Lalbhai	S A Panse

4. Extract of the Annual Return

Form number MGT – 9

Extract of the Annual Return as on March 31, 2019

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

4.1 Registration and other details

» Corporate identification number: 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 380 014, Gujarat, India, Telephone: (+91 79) 2646 1294 | 2646 3706

» Whether listed company: listed on BSE Ltd and National Stock Exchange of India Ltd

» Name, address and contact details of Registrar and Transfer Agent: Link Intime India Pvt Ltd, 506-508, Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, Telephone: (+91 79) 26465179 | 86 | 87

4.2 Principal business activities of the Company

No.	Name and description of main products | services	National industrial classification code of the product | service	% to total revenue of the Company*
1.	Basic chemicals	201	41%
2.	Other chemical products	202	59%

* Business activities contributing 10% or more of the total revenue of the Company

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.	Aaranyak Urmi Ltd Atul 396 020, Gujarat	U15400GJ2017PLC100157	Subsidiary	100%	2(87)(ii)
02.	Aasthan Dates Ltd Jodhpur 342 003, Rajasthan	U01122RJ2010PLC030642	Subsidiary	100%	2(87)(ii)
03.	Amal Ltd Mumbai 400 028, Maharashtra	L24100MH1974PLC017594	Subsidiary	53%	2(87)(ii)
04.	Anchor Adhesives Pvt Ltd Mumbai 400 028, Maharashtra	U24100MH1992PTC067870	Subsidiary	100%	2(87)(ii)
05.	Atul Bioscience Ltd Atul 396 020, Gujarat	U24230GJ1997PLC032369	Subsidiary	100%	2(87)(ii)
06.	Atul Biospace Ltd Atul 396 020, Gujarat	U01500GJ2005PL C045244	Subsidiary	100%	2(87)(ii)

No.	Name and address of the Company	Corporate identification number	Holding | subsidiary | associate	% of shares held	Applicable section
07.	Atul Brasil Quimicos Ltda		Subsidiary	100%	2(87)(ii)
	CEP 01046-010, São Paulo, Brazil				
08.	Atul China Ltd		Subsidiary	100%	2(87)(ii)
	Shanghai 200 233, China				
09.	Atul Deutschland GmbH		Subsidiary	100%	2(87)(ii)
	Wiesbaden, Germany				
10.	Atul Europe Ltd		Subsidiary	100%	2(87)(ii)
	Wilmslow SK9 2TB, UK				
11.	Atul Finserv Ltd	U51900MH1947PLC005453	Subsidiary	100%	2(87)(ii)
	Mumbai 400 028, Maharashtra				
12.	Atul Fin Resources Ltd	U65990GJ2016PLC093639	Subsidiary	100%	2(87)(ii)
	Atul 396 020, Gujarat				
13.	Atul Ireland Ltd[1]		Subsidiary	100%	2(87)(ii)
	Dublin, Ireland				
14.	Atul Infotech Pvt Ltd	U72200GJ2000PTC038460	Subsidiary	100%	2(87)(ii)
	Atul 396 020, Gujarat				
15.	Atul Middle East FZ-LLC		Subsidiary	100%	2(87)(ii)
	Dubai, UAE				
16.	Atul Nivesh Ltd	U65929GJ2016PLC093630	Subsidiary	100%	2(87)(ii)
	Atul 396 020, Gujarat				
17.	Atul Rajasthan Date Palms Ltd	U01122RJ2009PLC028415	Subsidiary	74%	2(87)(ii)
	Jodhpur 342 009, Rajasthan				
18.	Atul USA Inc		Subsidiary	100%	2(87)(ii)
	North Carolina 28226, USA				
19.	Biyaban Agri Ltd	U01122RJ2010PLC030636	Subsidiary	100%	2(87)(ii)
	Jodhpur 342 008, Rajasthan				
20.	DPD Ltd		Subsidiary	98%	2(87)(ii)
	Somerset BA6 8QG, UK				
21.	Raja Dates Ltd	U01122RJ2010PLC030640	Subsidiary	100%	2(87)(ii)
	Jodhpur 342 008, Rajasthan				
22.	Atul Aarogya Ltd	U85110GJ2010PLC062180	Associate	42%	2(6)
	Atul 396 020, Gujarat				
23.	Atul Ayurveda Ltd	U24233GJ2010PLC062028	Associate	42%	2(6)
	Atul 396 020, Gujarat				
24.	Atul Clean Energy Ltd	U40106GJ2010PLC059498	Associate	28%	2(6)
	Atul 396 020, Gujarat				
25.	Atul Crop Care Ltd	U01403GJ2010PLC061909	Associate	26%	2(6)
	Atul 396 020, Gujarat				

No.	Name and address of the Company	Corporate identification number	Holding | subsidiary | associate	% of shares held	Applicable section
26.	Atul Elkay Polymers Ltd	U24100GJ2011PLC065979	Associate	50%	2(6)
	Atul 396 020, Gujarat				
27.	Atul Entertainment Ltd	U92190GJ2010PLC061999	Associate	42%	2(6)
	Atul 396 020, Gujarat				
28.	Atul Hospitality Ltd	U55101GJ2010PLC062000	Associate	42%	2(6)
	Atul 396 020, Gujarat				
29.	Atul (Retail) Brands Ltd	U24233GJ2010PLC059517	Associate	43%	2(6)
	Atul 396 020, Gujarat				
30.	Atul Seeds Ltd	U01122GJ2010PLC062769	Associate	42%	2(6)
	Atul 396 020, Gujarat				
31.	Jayati Infrastructure Ltd	U45200GJ2010PLC062029	Associate	42%	2(6)
	Atul 396 020, Gujarat				
32.	Lapox Polymers Ltd	U51434GJ2009PLC056053	Associate	20%	2(6)
	Atul 396 020, Gujarat				
33.	Osia Dairy Ltd	U15200GJ2010PLC061906	Associate	42%	2(6)
	Atul 396 020, Gujarat				
34.	Osia Infrastructure Ltd	U45200GJ2011PLC064854	Associate	40%	2(6)
	Atul 396 020, Gujarat				
35.	Rudolf Atul Chemicals Ltd	U24110GJ2005PLC045564	Associate	50%	2(6)
	Atul 396 020, Gujarat				

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

[1]Incorporated on April 10, 2019

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

4.4.1 Category-wise shareholding

Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2018)				Number of shares held at the end of the year (as at March 31, 2019)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
A.	**Shareholding of the promoter and the promoter group**									
1.	Indian									
a)	Individuals | Hindu Undivided Family	–	8,80,781	8,80,781	2.969	–	8,80,781	8,80,781	2.969	–
b)	Central Government | State Government(s)	–	–	–	–	–	–	–	–	–
c)	Bodies corporate	–	1,23,60,320	1,23,60,320	41.671	–	1,23,76,743	1,23,76,743	41.726	0.055
d)	Financial institutions | Banks	–	–	–	–	–	–	–	–	–
e)	Any other	–	–	–	–	–	–	–	–	–
	Sub total (A)(1)	**–**	**1,32,41,101**	**1,32,41,101**	**44.640**	**–**	**1,32,57,524**	**1,32,57,524**	**44.696**	**0.055**
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)	**–**	**1,32,41,101**	**1,32,41,101**	**44.640**	**–**	**1,32,57,524**	**1,32,57,524**	**44.696**	**0.055**
B.	**Public shareholding**									
1.	Institutions									
a)	Mutual funds	300	67,25,594	67,25,894	22.675	300	65,22,863	65,23,163	21.992	(0.683)
b)	Financial institutions | Banks	14,326	11,693	26,019	0.088	11,876	13,336	25,212	0.085	(0.003)
c)	Central Government | State Government(s)	336	1,82,744	1,83,080	0.617	336	1,97,886	1,98,222	0.668	0.051
d)	Venture capital funds	–	–	–	–	–	–	–	-	–
e)	Insurance companies	–	2,02,381	2,02,381	0.682	–	1,83,934	1,83,934	0.620	(0.062)
f)	Foreign institutional investors	800	–	800	0.003	800	81,744	82,544	0.278	0.276
g)	Foreign venture capital investors	–	–	–	–	–	–	–	0.000	–
h)	Trusts | Hindu Undivided Family	–	2,52,130	2,52,130	0.850	–	2,45,920	2,45,920	0.829	(0.021)
	Sub total (B)(1)	**15,762**	**73,74,542**	**73,90,304**	**24.915**	**13,312**	**72,45,683**	**72,58,995**	**24.473**	**0.443**

Category code	Category of shareholders	Number of shares held at the beginning of the year (as at April 01, 2018)				Number of shares held at the end of the year (as at March 31, 2019)				% change during the year
		Physical	Demat	Total	% of total shares	Physical	Demat	Total	% of total shares	
2.	Non-institutions									
a)	Bodies corporate									
i)	Indian	–	9,94,847	9,94,847	3.354	–	8,21,618	8,21,618	2.770	(0.584)
ii)	Overseas	–	14,54,484	14,54,484	4.904	–	18,78,327	18,78,327	6.332	1.429
b)	Individuals									
i)	Shareholders holding nominal share capital up to ₹ 1 lakh	5,93,185	30,79,397	36,72,582	12.382	5,14,586	30,62,829	35,77,415	12.061	(0.321)
ii)	Shareholders holding nominal share capital in excess of ₹ 1 lakh	10,737	27,01,873	27,12,610	9.145	–	26,56,295	26,56,295	8.955	(0.190)
c)	Non–resident Indians (NRI)									
i)	NRI repatriable	2,117	90,067	92,184	0.311	1,072	98,443	99,515	0.335	0.025
ii)	NRI non–repatriable	–	86,703	86,703	0.292	–	99,243	99,243	0.335	0.042
iii)	Foreign bodies	–	–	–	–	–	–	–	–	–
iv)	Foreign nationals	–	–	–	–	–	–	–	–	–
d)	Any other	–	16,918	16,918	0.057	–	12,801	12,801	0.043	(0.014)
	Sub total (B)(2)	**6,06,039**	**84,24,289**	**90,30,328**	**30.444**	**5,15,658**	**86,29,556**	**91,45,214**	**30.832**	**0.387**
	Total public shareholding (B)=(B)(1)+(B)(2)	**6,21,801**	**1,57,98,831**	**1,64,20,632**	**55.360**	**5,28,970**	**1,58,75,239**	**1,64,04,209**	**55.304**	**0.055**
	Total (A)+(B)	**6,21,801**	**2,90,39,932**	**2,96,61,733**	**100.000**	**5,28,970**	**2,91,32,763**	**2,96,61,733**	**100.000**	**–**
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)	**6,21,801**	**2,90,39,932**	**2,96,61,733**	**100.000**	**5,28,970**	**2,91,32,763**	**2,96,61,733**	**100.000**	**–**

4.4.2 Shareholding of the promoters

No.	Name of the shareholder	Shareholding as at April 01, 2018			Shareholding as at March 31, 2019			% change in shareholding during the year
		Number of shares held	% of total shares of the Company	% of shares pledged | encumbered to total number of shares	Number of shares held	% of total shares of the Company	% of shares pledged | encumbered to total number of shares	
01.	Aagam Holdings Pvt Ltd	66,50,000	22.419	2.023	66,50,700	22.422	0.843	0.002
02.	Arvind Farms Pvt Ltd	–	–	–	27,72,642	9.348	1.686	100.000
03.	Aeon Investments Private Ltd (Amalgamated with Arvind Farms Pvt Ltd)	20,60,817	6.948	3.473	–	–	–	(100.000)
04.	Adhigam Investments Pvt Ltd	10,08,301	3.399	–	10,08,301	3.399	–	–
05.	Aayojan Resources Pvt Ltd	6,03,300	2.034	–	6,13,400	2.068	–	0.034
06.	Shalva Investments Pvt Ltd (Amalgamated with Arvind Farms Pvt Ltd)	5,00,000	1.686	–	–	-	–	(100.000)
07.	Akshita Holdings Pvt Ltd	4,59,784	1.550	–	4,61,500	1.556	–	0.006
08.	Adhinami Investments Pvt Ltd	4,52,350	1.525	–	4,52,700	1.526	–	0.001
09.	Anusandhan Investments Ltd	2,35,000	0.792	–	2,35,000	0.792	–	–
10.	Samveg Arvind Lalbhai	2,02,377	0.682	–	2,02,377	0.682	–	–
11.	Ashini Investments Pvt Ltd (Amalgamated with Arvind Farms Pvt Ltd)	2,00,000	0.674	–	–	–	–	(100.000)
12.	Aahvan Agencies Ltd	1,78,943	0.603	–	1,82,500	0.615	–	0.012
13.	Samveg Arvind	1,14,943	0.388	–	1,14,943	0.388	–	–
14.	Hansa Niranjan Lalbhai	97,374	0.328	–	5,999	0.020	–	(0.308)
15.	Sunil Siddharth Lalbhai	91,772	0.309	–	91,772	0.309	–	–
16.	Saumya Samveg Lalbhai	82,695	0.279	–	1,74,070	0.587	–	0.308
17.	Vimla S Lalbhai	65,982	0.222	–	65,982	0.222	–	–
18.	Swati S Lalbhai	63,500	0.214	–	63,500	0.214	–	–
19.	Taral S Lalbhai	50,022	0.169	–	50,022	0.169	–	–
20.	Anamika Samveg Lalbhai	47,199	0.159	–	47,199	0.159	–	–
21.	Sunil Siddharth	31,544	0.106	–	31,544	0.106	–	–
22.	Astha Lalbhai	20,500	0.069	–	20,500	0.069	–	–
23.	Anshuman Holdings Pvt Ltd (Amalgamated with Arvind Farms Pvt Ltd)	11,825	0.040	–	–	–	–	(100.000)
24.	Nishtha Sunil Lalbhai	5,500	0.019	–	5,500	0.019	–	–
25.	Sanjay Shrenik Lalbhai (Trustee of Arvind Lalbhai Family Trust)	3,653	0.012	–	3,653	0.012	–	–
26.	Sunil Lalbhai Employee Trust	2,000	0.007	–	2,000	0.007	–	–
27.	Rajiv Chinubhai Lalbhai	1,225	0.004	–	1,225	0.004	–	–
28.	Sheth Narottam Lalbhai	495	0.002	–	495	0.002	–	–
Total		**1,32,41,101**	**44.640**	**5.495**	**1,32,57,524**	**44.696**	**2.529**	**0.055**

4.4.3 Change in shareholding of the promoters

No.	Particulars	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
A.	Individuals					
	At the beginning of the year		8,80,781	2.969	8,80,781	2.969
	Increase | Decrease during the year					
	At the end of the year		8,80,781	2.969	8,80,781	2.969
B.	Companies					
	At the beginning of the year		1,23,60,320	41.671	1,23,60,320	41.671
	Increase | Decrease during the year					
	01. April 2018	Purchase	1,446	0.005	1,23,61,766	41.676
	02. May 2018	Purchase	600	0.002	1,23,62,366	41.678
	03. June 2018	Purchase	650	0.002	1,23,63,016	41.680
	04. July 2018	Purchase	4,504	0.015	1,23,67,520	41.695
	05. August 2018	Purchase	600	0.002	1,23,68,120	41.697
	06. September 2018	Purchase	1,066	0.004	1,23,69,186	41.701
	07. October 2018	Purchase	2,800	0.009	1,23,71,986	41.710
	08. November 2018	Purchase	800	0.003	1,23,72,786	41.713
	09. December 2018	Purchase	400	0.001	1,23,73,186	41.714
	10. January 2019	Purchase	557	0.002	1,23,73,743	41.716
	11. February 2019	Purchase	3000	0.010	1,23,76,743	41.726
	At the end of the year		1,23,76,743	41.726	1,23,76,743	41.726

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.	Particulars	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01.	HDFC Trustee Company Ltd					
	At the beginning of the year		14,15,501	4.772	14,15,501	4.772
	01. May 2018	Purchase	3,11,078	1.049	17,26,579	5.821
	02. June 2018	Purchase	55,757	0.188	17,82,336	6.009
	At the end of the year		17,82,336	6.009	17,82,336	6.009
02.	DSP Mutual Funds					
	At the beginning of the year		13,85,795	4.672	13,85,795	4.672
	01. July 2018	Sale	(1,00,000)	(0.337)	12,85,795	4.335
	02. August 2018	Sale	(64,666)	(0.218)	12,21,129	4.117
	03. October 2018	Sale	(55,148)	(0.186)	11,65,981	3.931
	04. December 2018	Sale	(13,097)	(0.044)	11,52,884	3.887
	05. January 2019	Sale	(22,117)	(0.075)	11,30,767	3.812
	06. February 2019	Sale	(11,157)	(0.038)	11,19,610	3.775
	At the end of the year		11,19,610	3.775	11,19,610	3.775

No.	Particulars	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
03.	SBI Mutual Funds					
	At the beginning of the year		11,86,855	4.001	11,86,855	4.001
	01. April 2018	Sale	(1,23,408)	(0.416)	10,63,447	3.585
	02. May 2018	Sale	(40,100)	(0.135)	10,23,347	3.450
	03. June 2018	Sale	(12,200)	(0.041)	10,11,147	3.409
	04. August 2018	Sale	(48,800)	(0.165)	9,62,347	3.244
	05. October 2018	Sale	(5,288)	(0.018)	9,57,059	3.227
	06. November 2018	Sale	(96,245)	(0.325)	8,60,814	2.902
	07. December 2018	Purchase	11,267	0.038	8,72,081	2.940
	08. January 2019	Sale	(11,250)	(0.038)	8,60,831	2.902
	09. February 2019	Purchase	9,000	0.030	8,69,831	2.933
	At the end of the year		8,69,831	2.933	8,69,831	2.933
04.	Aditya Birla Sun Life Trustee Pvt Ltd					
	At the beginning of the year		4,08,760	1.378	4,08,760	1.378
	01. Apr 2018	Purchase	4,000	0.013	4,12,760	1.392
	02. June 2018	Purchase	3,410	0.012	4,16,170	1.403
	03. July 2018	Purchase	13,600	0.046	4,29,770	1.449
	04. September 2018	Purchase	500	0.002	4,30,270	1.451
	05. October 2018	Purchase	3,400	0.012	4,33,670	1.462
	06. November 2018	Purchase	96,000	0.324	5,29,670	1.786
	07. January 2019	Purchase	83,200	0.281	6,12,870	2.066
	08. February 2019	Purchase	1,000	0.003	6,13,870	2.070
	09. March 2019	Purchase	46,059	0.155	6,59,929	2.225
	At the end of the year		6,59,929	2.225	6,59,929	2.225
05.	Tejas Bhalchandra Trivedi					
	At the beginning of the year		6,00,000	2.023	6,00,000	2.023
	01. July 2018	Purchase	4,432	0.015	6,04,432	2.038
	At the end of the year		6,04,432	2.038	6,04,432	2.038
06.	Shivani Tejas Trivedi					
	At the beginning of the year		5,63,479	1.900	5,63,479	1.900
	01. January 2019	Purchase	16,315	0.055	5,79,794	1.955
	02. February 2019	Purchase	5,000	0.017	5,84,794	1.972
	At the end of the year		5,84,794	1.972	5,84,794	1.972
07.	Kotak Mutual Funds					
	At the beginning of the year		5,85,820	1.975	5,85,820	1.975
	01. April 2018	Purchase	17,629	0.059	6,03,449	2.034
	02. May 2018	Purchase	13,785	0.047	6,17,234	2.081
	03. June 2018	Purchase	6,115	0.021	6,23,349	2.102

No.	Particulars	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
	04. July 2018	Sale	(37,969)	(0.128)	5,85,380	1.974
	05. August 2018	Sale	(91,334)	(0.308)	4,94,046	1.666
	06. September 2018	Purchase	8,600	0.029	5,02,646	1.695
	07. October 1018	Sale	(28,527)	(0.096)	4,74,119	1.598
	08. November 2018	Sale	(30,281)	(0.102)	4,43,838	1.496
	09. December 2018	Sale	(2,155)	(0.007)	4,41,683	1.489
	10. January 2019	Sale	(20,178)	(0.068)	4,21,505	1.421
	11. February 2019	Sale	(96)	-	4,21,409	1.421
	12. March 2019	Sale	(2,232)	(0.008)	4,19,177	1.413
	At the end of the year		4,19,177	1.413	4,19,177	1.413
08.	Franklin India Smaller Companies Fund					
	At the beginning of the year		3,90,642	1.317	3,90,642	1.317
	01. October 2018	Sale	(5,000)	(0.017)	3,85,642	1.300
	At the end of the year		3,85,642	1.300	3,85,642	1.300
09.	IDFC Mutual Fund					
	At the beginning of the year		33,801	0.114	33,801	0.114
	01. May 2018	Purchase	1,199	0.004	35,000	0.118
	02. July 2018	Purchase	1,44,117	0.486	1,79,117	0.604
	03. August 2018	Purchase	83,077	0.280	2,62,194	0.884
	04. September 2018	Purchase	27,155	0.092	2,89,349	0.976
	05. October 2018	Purchase	1,15,043	0.388	4,04,392	1.363
	06. November 2018	Sale	(10,958)	(0.037)	3,93,434	1.326
	07. December 2018	Purchase	12,777	0.043	4,06,211	1.370
	08. January 2019	Sale	(29,453)	(0.099)	3,76,758	1.270
	09. February 2019	Sale	(913)	(0.003)	3,75,845	1.267
	At the end of the year		3,75,845	1.267	3,75,845	1.267
10.	Kotak Funds - India Midcap Fund					
	At the beginning of the year		1,82,695	0.616	1,82,695	0.616
	01. April 2018	Purchase	1,49,225	0.503	3,31,920	1.119
	02. May 2018	Purchase	1,19,200	0.402	4,51,120	1.521
	03. June 2018	Purchase	25,926	0.087	4,77,046	1.608
	04. July 2018	Sale	(4,353)	(0.015)	4,72,693	1.594
	05. October 2018	Sale	(99,221)	(0.335)	3,73,472	1.259
	06. March 2019	Sale	(338)	(0.001)	3,73,134	1.258
	At the end of the year		3,73,134	1.258	3,73,134	1.258

4.4.5 Shareholding of the Directors and the Key Managerial Personnel

No.	Particulars	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
01.	R A Shah					
	At the beginning of the year		14,960	0.050	14,960	0.050
	Increase | Decrease during the year					
	At the end of the year		14,960	0.050	14,960	0.050
02.	S S Baijal					
	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		6,000	0.020	6,000	0.020
03.	S S Lalbhai					
	At the beginning of the year		91,772	0.309	91,772	0.309
	Increase | Decrease during the year					
	At the end of the year		91,772	0.309	91,772	0.309
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		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		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		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		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		5,800	0.020	5,800	0.020
09.	V S Rangan					
	At the beginning of the year		3,000	0.010	3,000	0.010
	Increase | Decrease during the year					
	At the end of the year		3,000	0.010	3,000	0.010

No.	Particulars	Reason for change	Shareholding as at April 01, 2018		Cumulative shareholding during 2018-19	
			Number of shares	% of total shares of the Company	Number of shares	% of total shares of the Company
10.	M M Chitale					
	At the beginning of the year		50	–	50	–
	Increase | Decrease during the year					
	At the end of the year		50	–	50	–
11.	T R Gopi Kannan					
	At the beginning of the year		50	–	50	–
	Increase | Decrease during the year					
	At the end of the year		50	–	50	–
12.	S A Panse					
	At the beginning of the year		50	–	50	–
	Increase | Decrease during the year					
	At the end of the year		50	–	50	–
13.	B R Arora					
	At the beginning of the year		100	–	100	–
	Increase | Decrease during the year					
	At the end of the year		100	–	100	–
14.	L P Patni					
	At the beginning of the year		–	–	–	–
	Increase | Decrease during the year					
	At the end of the year		–	–	–	–

4.5 Indebtedness

(₹ cr)

Particulars	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal amount	–	0.01	–	0.01
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	–	–	–	–
Total i) + ii) + iii)	**–**	**0.01**	**–**	**0.01**
Change in indebtedness during the financial year				
Addition	–	–	–	–
Reduction	–	0.01	–	0.01
Net change	–	0.01	–	0.01
Indebtedness at the end of the financial year				
i) Principal amount	–	–	–	–
ii) Interest due, but not paid	–	–	–	–
iii) Interest accrued, but not due	–	–	–	–
Total i) + ii) + iii)	**–**	**–**	**–**	**–**

4.6 Remuneration of the Directors and the Key Managerial Personnel

4.6.1 Remuneration to the Managing Directors and Whole-time Directors

(₹)

No.	Particulars	S S Lalbhai[1]	S A Lalbhai	B N Mohanan	T R Gopi Kannan[2]	Total amount
1.	Gross salary					
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961[3]	3,34,24,350	1,03,19,256	1,02,48,500	1,38,18,052	6,78,10,158
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	1,55,044	1,74,856	8,33,567	69,600	12,33,067
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-	-	-
2.	Stock option	-	-	-	-	-
3.	Sweat equity	-	-	-	-	-
4.	Commission	6,73,45,100[4]	1,43,70,690[5]	-	-	8,17,15,790
5.	Variable pay	-	-	19,07,000	24,58,000	43,65,000
6.	Others	-	-	-	-	-
7.	Total (A)	10,09,24,494	2,48,64,802	1,29,89,067	1,63,45,652	15,51,24,015
8.	Overall ceiling as per the Act					67,34,51,000

[1]CMD (CEO)

[2]WtD (CFO)

[3]Excluding commission and variable pay

[4]1% of profit (₹ 6,73,45,100) or 60 months basic salary (₹ 8,60,22,000), whichever is lower.

[5]0.50% of profit (₹ 3,36,72,550) or 30 months basic salary (₹ 1,43,70,690), whichever is lower.

4.6.2 Remuneration to the other Directors

(₹)

No.	Particulars	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	Total amount
1.	Non-executive Independent Directors										
	a) Fee for attending the Board, Committee and other meetings	-	4,90,000	3,85,000	75,000	2,80,000	3,50,000	3,50,000	2,10,000	3,70,000	25,10,000
	b) Commission	-	15,30,000	14,40,000	2,93,000	10,80,000	12,60,000	13,50,000	9,90,000	13,50,000	92,93,000
	Total 1	-	20,20,000	18,25,000	3,68,000	13,60,000	16,10,000	17,00,000	12,00,000	17,20,000	1,18,03,000
2.	Non-executive Non-independent Directors										
	a) Fee for attending the Board, Committee and other meetings	3,50,000	-	-	-	-	-	-	-	-	3,50,000
	b) Commission	8,78,000	-	-	-	-	-	-	-	-	8,78,000
	Total 2	12,28,000	-	-	-	-	-	-	-	-	12,28,000
	Total (B) = (1+2)	12,28,000	20,20,000	18,25,000	3,68,000	13,60,000	16,10,000	17,00,000	12,00,000	17,20,000	1,30,31,000

	Total managerial remuneration (A+B)	16,81,55,015
	Overall ceiling as per the Act	74,07,96,100

4.6.3 Remuneration to the Key Managerial Personnel other than the Managing Directors and the Whole-time Directors

(₹)

No.	Particulars	Company Secretary L P Patni
1.	Gross salary	
	Salary as per provisions under Section 17(1) of the Income Tax Act, 1961	61,53,572
	Value of perquisites under Section 17(2) of the Income Tax Act, 1961	4,37,888
	Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-
2.	Stock option	-
3.	Sweat equity	-
4.	Commission	-
5.	Others	-
	Total	65,91,460

4.7 Penalties | Punishment | Compounding of offences

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

5. Secretarial Audit Report

Form number MR – 3

Secretarial Audit Report

For the financial year ended March 31, 2019
{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

The Members
Atul Ltd
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended March 31, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per Annexure I for the financial year ended March 31, 2019 according to the provisions of:

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

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

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

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

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

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

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

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

   d. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014

   e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008

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

   g. The Securities and Exchange Board of India (Delisting of equity shares) Regulations, 2009

   h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018

vi. Other sector specific laws as applicable to the Company including product laws, pollution laws, manufacturing laws and safety laws.

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

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

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

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

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

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

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

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

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

We further report that during the audit period there were no specific events | actions having a major bearing on the affairs of the Company in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For SPANJ & ASSOCIATES
Company Secretaries

(Ashish C Doshi)
Partner
Membership number: F 3544
CPN: 2356

Ahmedabad
April 26, 2019

Atul Ltd
Annexure I – List of documents verified

01. Memorandum and Articles of Association of the Company.
02. Minutes of the meetings of the Board of Directors, Audit Committee, Corporate Social Responsibility Committee, Nomination and Remuneration Committee, Risk Management Committee and Stakeholders Relationship Committee along with attendance register held during the period under report.
03. Minutes of General Body meetings held during the period under report.
04. Statutory registers | records under the Companies Act, 2013 and Rules made thereunder, namely:
    - » Register of Directors and the Key Managerial Personnel
    - » Register of Directors' shareholding
    - » Register of loans, guarantees and security and acquisition made by the Company
    - » Register of renewed and duplicate share certificate
    - » Register of Members
    - » Periodical BENPOS, registers of DEMAT | REMAT and records made available from registrar and transfer agents
05. Agenda papers submitted to all the Directors | Members for the Board meetings and Committee meetings.
06. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Companies Act, 2013.
07. Intimations received from the Directors under the Prohibition of Insider Trading and SEBI Takeover Code.
08. e-Forms and attachments thereof filed by the Company, from time-to-time, under applicable provisions of the Companies Act, 1956 and the Companies Act, 2013 during the period under report.
09. Intimations | Documents | Reports | Returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the period under report.
10. Filings made with the Reserve Bank of India under the foreign direct investment guidelines and for overseas direct investments made by the Company.
11. Documents related to payments of dividend made to its shareholders during the period under report.
12. Communications | Letters issued to and acknowledgements received from the Independent Directors for their appointment.
13. Various policies framed by the Company from time to time as required under the Companies Act, 2013 as well as Listing Agreement and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
    - » Archival Policy
    - » Business Responsibility Policy
    - » Code of Conduct for the Directors | Key Managerial Personnel
    - » Corporate Social Responsibility Policy
    - » Determination of material events
    - » Dividend Distribution Policy
    - » Material Subsidiary Companies Policy
    - » Policy framed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
    - » Preservation of documents
    - » Related Party Transactions Policy
    - » Risk Management Policy
    - » Whistle-blowing Policy
14. 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		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	3.41	0.97
	S S Baijal	5.61	1.36
	B S Mehta	5.07	1.07
	H S Shah	1.02	0.21
	S M Datta	3.78	0.78
	V S Rangan	4.47	0.97
	M M Chitale	4.72	0.97
	S A Panse	3.33	0.58
	B R Arora	4.78	1.03
	S S Lalbhai	280.35	93.28
	S A Lalbhai	69.07	29.15
	B N Mohanan	36.08	30.78
	T R Gopi Kannan	45.40	38.58
ii) Percentage increase in remuneration of each of the Directors, the Chief Executive Officer, the Chief Financial Officer, the Company Secretary, if any, in the financial year.	Directors		%
	R A Shah		15.85
	S S Baijal		13.48
	B S Mehta		32.25
	H S Shah		(41.59)
	S M Datta		6.67
	V S Rangan		39.88
	M M Chitale		80.85
	S A Panse		18.81
	B R Arora		70.30
	Chairman and Managing Director		
	S S Lalbhai		43.16
	Managing Director		
	S A Lalbhai		9.83
	Whole-time Director		
	B N Mohanan		9.06
	Whole-time Director and Chief Financial Officer		
	T R Gopi Kannan		16.97
	Company Secretary		
	L P Patni		1.42
iii) Percentage increase in the median remuneration of employees in the financial year	9.09%		
iv) Number of permanent employees on the rolls of Company	2,574		
v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and explanation if there are any exceptional circumstances for increase in the managerial remuneration	Average increase for Key Managerial Personnel and for other employees was about 8%. There is no exceptional increase in remuneration of Key Managerial Personnel.		
vi) Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.		

*Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2019.

Management Discussion and Analysis

Ratios	UoM	2018-19	2017-18	Increase | (Decrease)	Remark
Interest coverage	times	192.00	56.78	238%	reduction of debt to nil
Net profit margin	%	11.16	8.85	26%	better price realisation
Return on net worth	%	17.70	13.11	35%	higher net profit margin

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

Life Science Chemicals segment

	2018-19	2017-18	% change
Sales (₹ cr)	1,289	1,027	26
Share in total sales (%)	34	34	-

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

CROP PROTECTION

Product groups: Herbicides, Insecticides, Fungicides, Others

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

During 2018-19, sales increased by 16% from ₹ 651 cr to ₹ 754 cr. Sales in India increased by 13% from ₹ 232 cr to ₹ 263 cr; bulk sales in India increased by 36% from ₹ 126 cr to ₹ 171 cr whereas brand sales which are currently only in India decreased by 13% from ₹ 106 cr to ₹ 92 cr. Sales outside India increased by 17% from ₹ 419 cr to ₹ 491 cr and formed 65% of the total. Decrease on account of volume was 9%. Sales increased mainly because of good demand and higher price realisation for one of the key herbicides. The Company completed one project and undertook three projects for implementation.

The size of the world Agriculture, Forestry and Fisheries industry is estimated at US$ 3.2 tn and is growing at about 3%. The size of the world Crop Protection Chemicals industry is estimated at US$ 56 bn and is growing at about 5%. The Food and Agribusiness forms a larger US$ 5 trillion

world industry. If the current trend continues, caloric demand will increase by about 70% and crop demand for human consumption and animal feed will nearly double by 2050.

This necessitates increased use of pesticides. The Company will participate in this growth by – i) focusing on providing its customers with the best quality products, ii) meeting the growing world regulatory demands for product stewardship, iii) expanding the product portfolio and leveraging the strength of the Company in certain chemistries, iv) promoting its brand sales and v) improving its manufacturing and working capital efficiencies.

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 AND AROMATICS – I

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 72 products. Carbonates, chloroformates, isocyanates and organic ureas are some of the key classes of products.

During 2018-19, sales increased by 43% from ₹ 367 cr to ₹ 526 cr. Sales in India increased by 34% from ₹ 218 cr to ₹ 293 cr. Sales outside India increased by 56% from ₹ 149 cr to ₹ 233 cr and formed 44% of the total. Growth on account of volume was 24%. The Company completed one project and undertook one project for implementation. Atul Bioscience Ltd (ABL), a 100% subsidiary company, acquired manufacturing facilities of Polydrug Laboratories Private Limited at MIDC, Ambernath. Sales of ABL for 2018-19 increased by 37% from ₹ 76 cr to ₹ 104 cr, primarily because of volume; it completed two debottlenecking projects and undertook two projects for implementation.

The size of the world Pharmaceutical industry is estimated at US$ 1.75 tn, of which the conventional pharmaceutical segment is estimated to be US$ 1.3 tn. Of this, the size of the world API industry is estimated to be US$ 160 bn. Biologics is estimated to contribute about 52% of sales of top 100 products by 2022, while Oncology will remain the largest therapy area in sales growing at about 12.7% CAGR. Worldwide Pharmaceutical R&D spend is estimated to grow by 2.4% CAGR to about US$ 181 bn in 2022, with about US$ 4 bn R&D spend per New Molecular Entities (NME) over the last ten years.

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, iv) introducing new products and v) forming 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

	2018-19	2017-18	% change
Sales (₹ cr)	2,556	2,025	26
Share in total sales (%)	66	66	-

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

AROMATICS - II

Product groups: Intermediates, Perfumery, Others

The products falling under these product groups are mainly used by customers belonging to Fragrance and Personal Care industries. The product groups comprise about 20 products. *para* Cresol, *para* Anisic Aldehyde, *para* Anisyl Alcohol and *para* Cresidine are some of the key products.

During 2018-19, sales increased by 32% from ₹ 539 cr to ₹ 711 cr. Sales in India increased by 50% from ₹ 150 cr to ₹ 225 cr. Sales outside India increased by 25% from ₹ 389 cr to ₹ 486 cr and formed 68% of the total. Growth on account of volume was 7%. The Company completed one project and undertook two projects for implementation.

The world market for *para* Cresol (a key product) is estimated at 65,000 mt and is growing at about 2%. Though earlier the product used to be manufactured in the UK and the USA, China and India are now major suppliers of the product. The size of the world Fragrance industry is estimated at US$ 13 bn and is growing at about 4%. The size of the world Personal Care industry is estimated at US$ 415 bn of which personal care ingredients segment is US$ 24 bn and is growing at about 4%.

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

The prices of some products may come down in a short time. 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, Pharmaceutical and Tyre industries. The product groups comprise about 21 products. Resorcinol, Resorcinol Formaldehyde Resins, 1,3–Cyclohexanedione, Anisole, Sulphur Trioxide, Chlorosulphonic Acid and Caustic Soda are some of the key products.

During 2018-19, sales (external) increased by 42% from ₹ 175 cr to ₹ 249 cr. Sales in India increased by 34% from ₹ 112 cr to ₹ 150 cr. Sales outside India increased by 57% from ₹ 63 cr to ₹ 99 cr and formed 40% of the total. The Company undertook two projects for implementation.

The world market for Resorcinol (a key product) is estimated at US$ 550 mn and is growing at about 2.5%. The size of the world Tyre industry is estimated at US$ 229 bn and is growing at about 3.7%. The size of the world Chlor-alkali industry is estimated at US$ 45 bn and is growing at about 3.2%.

The Tyre industry is expected to grow further because of increasing population on the one hand and improving standard of living on the other. The captive consumption of bulk chemicals is expected to grow as the Company expands manufacturing capacities of its various products. 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: Dyestuffs, Pigments, Dye-intermediates, Textile chemicals, others

The product groups comprise about 587 products. The products are used by customers belonging to Textile, Paint and Coatings and Paper industries. Pigment Red 168, Sulphur Black 1 and Vat Green 1 are some of the key products.

During 2018-19, sales increased by 21% from ₹ 452 cr to ₹ 547 cr. Sales in India increased by 21% from ₹ 236 cr to ₹ 285 cr. Sales outside India increased by 21% from ₹ 216 cr to ₹ 262 cr and formed 48% of the total. The Company completed five projects. Rudolf Atul Chemicals Ltd (RACL), a joint venture company formed in 2011-12, provides a complete range of textile chemicals in Indian market; it increased its sales by 14% from ₹ 73 cr to ₹ 83 cr, primarily because of volume.

The size of the world Dyestuff industry is estimated at US$ 6.1 bn and is growing at about 3.5%. China is the largest manufacturer of dyes followed by India. The world market for high performance pigments is estimated at US$ 5.2 bn and is growing at about 4.0%.

The main user industries, namely, Textile, Paper, Paint and Coatings, will continue to grow because of growing population and 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, textile chemicals 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, Curing agents, Reactive diluents, Sulfones, Protective paints and Adhesives based on Epoxy, Synthetic rubber, Polyurethane, Cyanoacrylate, PVC and PVA.

The products falling under these product groups are used by customers belonging to Aerospace, Automobile, Composites, Construction, Defence, Electrical and Electronics, Footwear, Paint and Coatings, Paper, Sport and Leisure and Wind Energy industries. The product groups comprise about 96 synthetic products and 300 formulations. B11, P62 and P101 are some of the key products. Synthetic and formulated products are versatile and has significant applications in Aerospace, Automobile, FRP Composites, Wind Energy, Electrical and Electronics, Paint and Coatings, Construction, Defence, Sport and Leisure and Paper industries.

During 2018-19, sales increased by 22% from ₹ 858 cr to ₹ 1,048 cr. Sales in India increased by 23% from ₹ 580 cr to ₹ 711 cr; bulk sales in India increased by 22% from ₹ 487 cr to ₹ 593 cr, whereas retail sales increased by 27% from ₹ 93 cr to ₹ 118 cr. Sales outside India increased by 21% from ₹ 278 cr to ₹ 337 cr and formed 32 % of the total. Growth on account of volume was 5%.

The world market for epoxy resins and curing agents is estimated at US$ 7.3 bn and is growing at about 2% and Indian market is estimated at US$ 285 mn and is growing at about 6%. There are about seven major companies which dominate the world marketplace. The world market for sulfones (curing agents) is estimated at US$ 367 mn and is growing at about 5%.

The user industries, Construction, Defence, Electrical and Electronics, Paint and Coatings are growing well particularly in India. The Company will participate in this growth by i) widening its market reach, ii) increasing its manufacturing and working capital efficiencies, iii) generating and adding new capacities of epoxy resin and curing agents by organic and inorganic mode.

Cheaper imports and new players in the market will keep the market competitive and may keep the 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. The controls, based on the prevailing business conditions and processes, are tested during the year and no reportable material weakness in the design or effectiveness was observed.

The Company has an in-house Internal Audit department consisting of professionally qualified managers. It has also engaged the services of reputed firms specialising in Internal Audits. The Internal Audit function provides assurance to the Audit Committee on the adequacy and effectiveness of internal controls and compliance with operating systems at all locations of the Company, its subsidiary and joint venture companies. Internal audits are also carried out for Atul Foundation and entities overseen by it. The operating effectiveness of internal financial controls is also tested during course of each audit. Key audit findings and remediation status of prior findings are presented and discussed with the Audit Committee.

Audits are conducted in accordance with a risk based internal audit plan which is duly approved by the Audit Committee. The scope and coverage of internal audit plan includes reviewing and reporting on key process risks, adherence to operating guidelines and statutory compliances.

Processes in the Internal Audit function are continuously strengthened for enhancing effectiveness and productivity, including use of analytical tools in the audit domain and ongoing knowledge improvement programs.

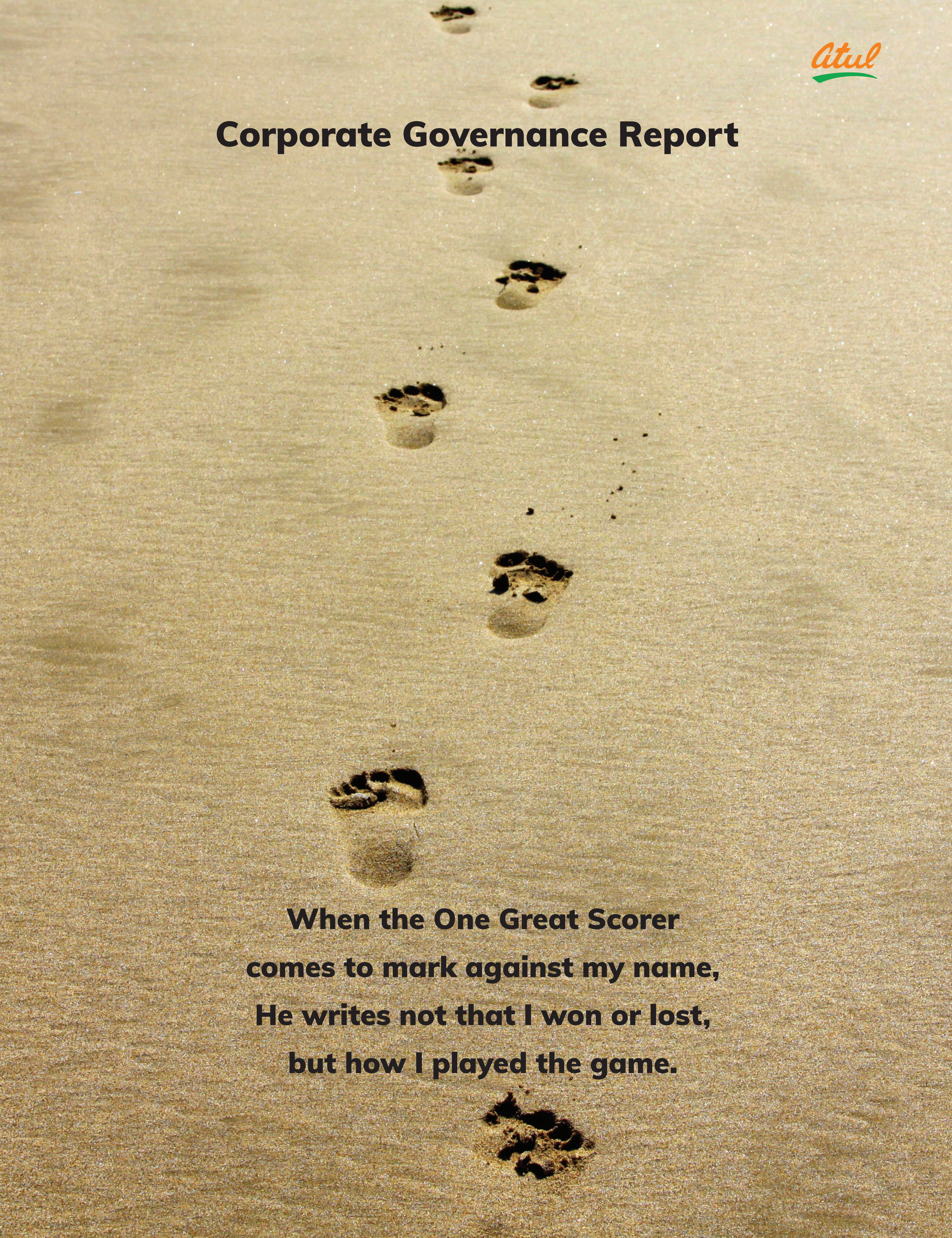
HUMAN RESOURCES

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 performance management, succession planning, specific need based development and systems enhancement to facilitate all HR processes.

The process of identification and review of targets is becoming more robust and is continuously upgraded. During 2018-19, on an average, 2.5 mandays of training was imparted. The training needs are identified based on self-assessment, L+1 assessment, 360 degree feedback and Individual Development Plan. In addition, there are certain team building programs to integrate work teams. Succession planning process is being enhanced so that, to the extent possible, people from within take up higher responsibility. Identified managers are being nominated on specific external Management Development Programs to enhance functional and behavioural competencies and build leadership pipeline.

The number of employees (as on March 31, 2019) increased by 120 from 2,454 to 2,574. 70% of this increase was mainly due to new positions on account of expansions in manufacturing operations of various businesses.

Historic wage settlement was concluded at Ankleshwar site in which the Union agreed to an increase of a certain fixed percentage of wages till retirement and wages are restructured in a way that they are not dependent of any external factors. Wage settlement at Atul site is under discussion. Employee relations at all locations remained cordial and progressive, and the endeavour is to completely eliminate any divide that separates managers and workmen and use the strengths of everyone to enhance the performance of the Company.



Corporate Governance Report

When the One Great Scorer
comes to mark against my name,
He writes not that I won or lost,
but how I played the game.

1. Philosophy

Transparency and accountability are the two basic tenets of Corporate Governance. Atul is proud to belong to a Group whose Founder lived his life with eternal Values and built the business enterprises on the foundation of good governance.

The Company is committed to conducting business the right way, which means taking decisions and acting in a way that is ethical and in compliance with the applicable legal requirements. It endeavours to continuously improve its Corporate Governance performance with a view to earn trust and respect of all its stakeholders.

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

2. Board

2.1 Board business

The normal business of the Board comprises:

2.1.1 Approving:

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

2.1.2 Monitoring:

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

2.1.3 Noting:

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

2.1.4 Recommending:

i) appointment of the Statutory Auditors

ii) final dividend

2.1.5 Reviewing:

i) corporate strategy, major plans of action, Risk Policy, annual budgets and business plans

ii) default in payment of statutory dues

iii) fatal or serious accidents, dangerous occurrences and material environmental matters

iv) foreign exchange exposure and exchange rate movement, if material

v) the integrity of the accounting and financial reporting systems, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards

2.1.6 Setting:

i) a corporate culture and the Values

ii) well-defined mandate, composition and working procedures of the Committees

2.1.7 Others:

i) Acting on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders

ii) Aligning remuneration of the key executives and the Board Members with the long-term interests of the Company and the shareholders

iii) Applying high ethical standards

iv) Assigning sufficient number of the Non-executive Board Members capable of exercising independent judgement to items where there is a potential for conflict of interest

v) Assisting the Executive Management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of focus of the Company

vi) Encouraging training of the Directors on a continuous basis to ensure that the Board Members are kept up-to-date

vii) Exercising objective and independent judgement on corporate affairs

viii) Facilitating the Independent Directors to perform their role effectively as the Board Members and also as the Members of Committees

ix) Meeting the expectations of operational transparency of the stakeholders while maintaining confidentiality of information in order to foster a culture of good decision-making

2.2 Appointment and tenure

2 | 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 five years. The contracts with Whole-time Directors provide notice period of six months and severance pay as per the provisions of the Companies Act, 2013.

2.3 Composition, name, other directorships | committee memberships

The Board comprises experts drawn from diverse fields | professions. At this time, it consists of 11 Members comprising seven Non-executive Directors (six Independent and one Non-independent), four Executive Directors (including two 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 (the Regulations) and 33.33% as per the Companies Act, 2013. The Independent Directors fulfill the conditions specified in the Regulations and are independent of the Management. The Board has identified following skills | expertise | competence required by the Board of Directors in the context of the business(es) and sectors of the Company to function effectively and those actually available with it:

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

The Non-executive Directors are eminent professionals drawn from the above areas. Relevant details about the Board Members are as under:

No.	Name	Directorship(s) in other company (ies)[1]	Membership(s) of the Committee(s) of the Board(s)[2]	Chairmanship(s) of the Committee(s) of the Board(s)[2]
	Chairman and Managing Director			
01.	S S Lalbhai	6	3	–
	Managing Director			
02.	S A Lalbhai	2	–	–
	Whole-time Directors			
03.	B N Mohanan	8	–	–
04.	T R Gopi Kannan	8	4	–
	Non-executive Directors			
05.	R A Shah	7	3	3
06.	S S Baijal[3]	1	–	2
07.	B S Mehta	4	3	3
08.	H S Shah[3]	–	–	1
09.	S M Datta	6	4	2
10.	V S Rangan	5	6	–
11.	M M Chitale	7	3	4
12.	S A Panse	7	2	3
13.	B R Arora	1	3	1

Mr S S Lalbhai and Mr S A Lalbhai are promoter Directors.
Except Mr R A Shah, all other Non-executive Directors are Independent.

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

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

[3]Up to March 31, 2019

The details of the Directors with respect to directorships in other listed entities along with category are as under:

No.	Name	Brief résumé	Name of other listed entities in which the Director is a director and Category
01.	S S Lalbhai	Mr S S Lalbhai is Managing Director since June 1984 and the Chairman of the Board of the Company since August 2007. Mr Lalbhai holds a postgraduate degree in Chemistry from the University of Massachusetts and a postgraduate degree in Economic Policy and Planning from Northeastern University.	Amal Ltd - Non-Independent Director Navin Fluorine International Ltd - Independent Director Pfizer Ltd - Independent Director The Bombay Dyeing and Manufacturing Company Ltd - Independent Director
02.	S A Lalbhai	Mr S A Lalbhai is a Director of the Company since January 2000 and the Managing Director of the Company since December 2000. Mr Lalbhai holds a graduate degree in Commerce from Gujarat University.	Bengal Tea and Fabrics Ltd – Non-Independent Director The Anup Engineering Ltd - Non-Independent Director
03.	B N Mohanan	Mr B N Mohanan joined the Company in August 1992 and is a Whole-time Director since January 2009. He is currently the President, Utilities and Services and the Occupier of the Company. Mr Mohanan holds a graduate degree in Engineering (Honours) from the University of Calicut.	-
04.	T R Gopi Kannan	Mr T R Gopi Kannan joined the Company in October 1993 and is a Whole-time Director since October 2014. He is currently the Chief Financial Officer of the Company. Mr Gopi Kannan holds a degree in Science from University of Madras and a postgraduate diploma in management from Indian Institute of Management, Ahmedabad. He is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India.	Amal Ltd - Non-Independent Director
05.	R A Shah	Mr R A Shah is a Director of the Company since May 1983. He is the Senior Partner of Crawford Bayley & Co., a firm of Solicitors and Advocates. Mr Shah holds a degree in Law from University of Mumbai and has passed Solicitor exam from the Honourable High Court at Mumbai.	BASF India Ltd - Independent Director Colgate-Palmolive (India) Ltd - Independent Director Godfrey Phillips India Ltd - Non-Independent Director Lupin Ltd - Independent Director Pfizer Ltd - Independent Director Procter & Gamble Hygiene and Health Care Ltd - Independent Director The Bombay Dyeing and Manufacturing Company Ltd - Independent Director
06.	S S Baijal*	Dr S S Baijal was a Director of the Company since June 1984 to March 2019. He was the Chairman and Chief Executive Officer of ICI India Ltd from 1983 to 1987. Dr Baijal holds a PhD degree in Organic Chemistry from the University of Allahabad.	Rossell India Ltd - Independent Director
07.	B S Mehta	Mr B S Mehta is a Director of the Company since April 1992. He is the Chief Mentor in Bansi S. Mehta & Co. since 2009. Mr Mehta holds a graduate degree in Commerce from University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.	Century Enka Ltd - Independent Director Gillette India Ltd - Independent Director Pidilite Industries Ltd - Independent Director Procter & Gamble Hygiene and Health Care Ltd - Independent Director

No.	Name	Brief résumé	Name of other listed entities in which the Director is a director and Category
08.	H S Shah*	Mr H S Shah was a Director of the Company since October 1992 to March 2019. He was the Chairman of Indian Petrochemicals Corporation Ltd from 1987 to 1992. Mr Shah holds a postgraduate degree in Arts from Gujarat University.	-
09.	S M Datta	Mr S M Datta is a Director of the Company since October 2002. He was the Chairman of Hindustan Unilever Ltd as well as of all Unilever Group companies in India and Nepal from 1990 to 1996. Mr Datta holds a postgraduate degree in Science and Technology from the University of Calcutta and is a Chartered Engineer.	Castrol India Ltd - Independent Director IL&FS Investment Managers Ltd - Independent Director
10.	V S Rangan	Mr V S Rangan is a Director of the Company since July 2010. He is an Executive Director of Housing Development Finance Corporation Ltd. Mr Rangan holds a graduate degree in Commerce from the University of Delhi and is an Associate Member of the Institute of Chartered Accountants of India and the Institute of Cost and Management Accountants of India.	Housing Development Finance Corporation Ltd - Non-Independent Director
11.	M M Chitale	Mr M M Chitale is a Director of the Company since October 2014. He is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co. Mr Chitale holds a graduate degree in Commerce from University of Mumbai and is a Fellow Member of the Institute of Chartered Accountants of India.	Bhageria Industries Ltd - Independent Director Essel Propack Ltd - Independent Director Larsen & Toubro Infotech Ltd - Independent Director Larsen & Toubro Ltd - Independent Director
12.	S A Panse	Ms S A Panse is a Director of the Board since March 2015. She was the Chairperson and Managing Director of Allahabad Bank Ltd. Ms Panse holds a postgraduate degree in Science from Pune University, postgraduate degree in Business Administration from Drexel University and is a certified Associate of Indian Institute of Bankers.	Cholamandalam MS General Insurance Company Ltd - Independent Director IL&FS Investment Managers Ltd - Independent Director PNB Housing Finance Ltd - Independent Director Sudarshan Chemical Industries Ltd - Independent Director The Federal Bank Ltd - Independent Director TI Financial Holdings Ltd - Independent Director
13.	B R Arora	Mr B R Arora is a Director of the Board since April 2015. He was the Chairman, Cyanamid Agro Ltd, Managing Director, Cyanamid India Ltd, Chairman and Managing Director, Wyeth – Lederle Ltd, Regional President – Asia, Pfizer Nutrition, Regional President – Asia and Pacific RIM, Nestle S A, Chairman, PT Wyeth Nutrition Indonesia and Board Member, Wyeth Philippines Inc. Mr Arora holds a graduate degree in Mechanical Engineering from the University of Punjab.	Wockhardt Ltd - Independent Director

*Up to March 31, 2019

2.4 Board meetings

The Board meeting dates were normally determined well in advance. During 2018-19, the Board met 5 times.

No.	Day	Date	Venue
1.	Friday	April 27, 2018	Mumbai
2.	Friday	July 20, 2018	Mumbai
3.	Friday	October 26, 2018	Mumbai
4.	Friday	January 18, 2019	Mumbai
5.	Friday	March 15, 2019	Mumbai

2.5 Attendance at the Board meetings and the AGM

No.	Name	Board Meetings		AGM on July 27, 2018
		Total	Attended	
01.	S S Lalbhai	5	5	Present
02.	R A Shah	5	5	–
03.	S S Baijal	5	5	Present
04.	B S Mehta	5	4	–
05.	H S Shah	5	1	–
06.	S A Lalbhai	5	4	Present
07.	S M Datta	5	5	Present
08.	B N Mohanan	5	5	Present
09.	V S Rangan	5	5	–
10.	M M Chitale	5	4	–
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

2.6.1 Appointed:

i) Mr B S Mehta was appointed as an Independent Director effective June 01, 2018

ii) Mr V S Rangan was reappointed as an Independent Director effective April 01, 2019

iii) Mr S M Datta was reappointed as an Independent Director effective April 01, 2019

2.6.2 Ceased:

i) Dr S S Baijal ceased to be an Independent Director effective March 31, 2019

ii) Mr H S Shah ceased to be an Independent Director effective March 31, 2019

2.6.3 Resigned: nil

2.7 Remuneration

No.	Name	Remuneration during the year (₹)			
		Sitting fees	Salary and perquisites	Commission	Total
	Chairman and Managing Director				
01.	S S Lalbhai	–	3,35,79,394	6,73,45,100	10,09,24,494
	Managing Director				
02.	S A Lalbhai	–	1,04,94,112	1,43,70,690	2,48,64,802
	Whole-time Directors				
03.	B N Mohanan	–	1,29,89,067[1]	-	1,29,89,067
04.	T R Gopi Kannan	–	1,63,45,652[2]	-	1,63,45,652
	Non-executive Directors				
05.	R A Shah	3,50,000	–	8,78,000	12,28,000
06.	S S Baijal	4,90,000	–	15,30,000	20,20,000
07.	B S Mehta	3,85,000	–	14,40,000	18,25,000
08.	H S Shah	75,000	–	2,93,000	3,68,000
09.	S M Datta	2,80,000	–	10,80,000	13,60,000
10.	V S Rangan	3,50,000	–	12,60,000	16,10,000
11.	M M Chitale	3,50,000	–	13,50,000	17,00,000
12.	S A Panse	2,10,000	–	9,90,000	12,00,000
13.	B R Arora	3,70,000	–	13,50,000	17,20,000

[1]Includes variable pay ₹ 19,07,000

[2]Includes variable pay ₹ 24,58,000

Sitting fees of up to ₹ 35,000 per meeting constitute fees paid to the Non-executive Directors for attending Board, Committee and other meetings.

Commission up to 1% of the net profit of the Company to the Non-executive Directors was approved by the Members of the Company at the AGM held on July 27, 2018 for a period of five years, effective April 01, 2018. The Board approves, within the aforesaid limit, 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

» Risk Management Committee

3.1 Audit Committee

3.1.1 Role

i) Approving:

» appointment of the Chief Financial Officer

» transactions with related parties and subsequent modifications thereof

ii) Conducting:

» pre-audit discussions with the Auditors regarding nature and scope of the audit and post-audit discussion to ascertain any areas of concern

» valuation of undertakings or assets, wherever necessary

iii) Formulating:

» scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor

» Code of Conduct and related matters

iv) Reviewing:

» adequacy of the internal audit function, including the structure of Internal Audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit

» compliance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively

» significant transactions and arrangements entered into by the unlisted subsidiary companies

» the Auditors' independence, performance and effectiveness of the audit process

» periodically with the Auditors the internal control systems, the scope of audit including the observations of the Auditors and the Financial Statements before submission to the Board

» the annual Financial Statements and Auditor's Report with the Management before submission to the Board for approval with particular reference to:

– any changes in accounting policies and practices

– compliance with accounting standards

– compliance with the Stock Exchanges and legal requirements concerning the Financial Statements

– disclosure of any related party transactions

– going concern assumption

– major accounting entries involving estimates based on exercise of judgement by the Management

– matters required to be included in the Directors' Responsibility Statement for the Directors' Report

– qualifications in the draft Audit Report

– significant adjustments made in the Financial Statements arising out of audit findings

» with the Internal Auditors any significant findings and follow up thereon including findings of any internal investigations into matters where there is suspected fraud or irregularity or failure of the internal control systems of material nature and reporting such matters to the Board

» financial reporting process and the disclosure of financial information to ensure that the Financial Statements are correct, credible and sufficient

» compliance reports of all applicable laws as well as steps taken to rectify instances of non-compliances periodically

» reasons for substantial defaults, if any, in the payment to the depositors, the debenture holders, the Members (in case of non-payment of declared dividends) and creditors

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

» functioning of Whistle-blowing mechanism

» following information mandatorily:

– appointment, removal and terms of remuneration of the Chief Internal Auditor

– Internal Audit Reports relating to weaknesses in the internal control systems

– Management Discussion and Analysis of financial condition and results of operations

– management letters | letters of internal control weaknesses issued by the Statutory Auditors

– statement of related party transactions submitted by the Management

» with the Management the statement of uses | applications of funds raised through an issue (public issue, rights issue, preferential issue, etc), the statement of funds utilised for the purposes other than those stated

» utillisation of loans | advances from the holding company to the subsidiary company or investments by the holding company in the subsidiary company exceeding ₹ 100 cr or 10% of the asset size of the subsidiary company, whichever is lower including loans | advances | investments existing as on April 01, 2019

v) Others:

» Evaluating internal financial controls and risk management system

» Recommending appointment, remuneration and terms of appointment of the Auditors and approval for payment for any other services

» Scrutinising inter-corporate loans and investments

» Carrying out any other function as mentioned in the terms of reference of the Audit Committee

3.1.2 Composition

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

No.	Name	Designation
1.	S S Baijal[1]	Chairman
2.	B S Mehta[2]	Member
3.	V S Rangan	Member
4.	B R Arora	Member
5.	M M Chitale[3]	Member

[1]Up to March 31, 2019 | [2]Chairman effective April 01, 2019 | [3]Effective July 20, 2018

3.1.3 Meetings and attendance

During 2018-19, four meetings were held.

No.	Name	Total	Attended
1.	S S Baijal	4	4
2.	B S Mehta	4	3
3.	V S Rangan	4	4
4.	B R Arora	4	4
5.	M M Chitale	2	2

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

3.2.1 Role

i) Devising a policy on the Board diversity

ii) Formulating criteria for evaluation of the Independent Directors and the Board

iii) Formulating criteria for determining qualifications, traits and independence of a Director and recommending to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees

iv) Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of performance of every Director

v) Recommending | Determining remuneration of the Executive Directors | Senior Management Personnel as per the policy

3.2.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1.	H S Shah[1]	Chairman
2.	S S Baijal[1]	Member
3.	R A Shah	Member
4.	M M Chitale[2]	Member
5.	Mr B R Arora[3]	Member

[1]Up to March 31, 2019 | [2]Chairman effective April 01, 2019 | [3]Effective January 18, 2019

3.2.3 Meetings and attendance

During 2018-19, two meetings were held.

No.	Name	Total	Attended
1.	H S Shah	2	-
2.	S S Baijal	2	2
3.	R A Shah	2	2
4.	M M Chitale	2	2
5.	Mr B R Arora	-	-

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

3.3 Stakeholders Relationship Committee

3.3.1 Role

i) Considering and resolving grievances (including complaints related to non-receipt of Annual Report, non-receipt of declared dividends and transfer of shares) of security holders (including the shareholders, debenture holders and other security holders)

ii) Resolving the grievances of the security holders related to general meetings, issue of new | duplicate certificates, non-receipt of Annual Report, non-receipt of declared dividends and transfer | transmission of shares, etc

iii) Reviewing any other related matter which the Committee may deem fit in the circumstances of the case including the following:

- Adherence to the service standards in respect to various services being rendered by the Registrar and Share Transfer Agent
- Change of name(s) of the Members on share certificates
- Consolidation of share certificates
- Deletion of name(s) of guardian(s)
- Deletion of name(s) from share certificates
- Dematerialisation of shares
- Issue of duplicate share certificates
- Measures taken for effective exercise of voting rights by the shareholder(s)
- Measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants | Annual Reports | statutory notices by the shareholder(s) of the Company
- Rematerialisation of shares
- Replacement of shares
- Splitting-up of shares
- Transfer of shares
- Transmission of shares
- Transposition of names

3.3.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1.	H S Shah[1]	Chairman
2.	S S Lalbhai	Member
3.	T R Gopi Kannan	Member
4.	B R Arora[2]	Member

[1]Up to March 31, 2019 | [2]Chairman effective April 01, 2019

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

3.3.3 Meetings and attendance

During 2018-19, four meetings were held.

No.	Name	Total	Attended
1.	H S Shah	4	1
2.	S S Lalbhai	4	4
3.	T R Gopi Kannan	4	4
4.	B R Arora	4	4

During 2018-19, 19 complaints were received from the Investors. All the grievances were solved to the satisfaction of the Investors.

No.	Nature of complaint	Received	Redressed
1.	Non-receipt of dividend warrant	–	–
2.	Non-receipt of share certificates	–	–
3.	Non-receipt of duplicate share certificates	6	6
4.	Others	13	13
	Total	**19**	**19**

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

3.4 Corporate Social Responsibility Committee

3.4.1 Role

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

ii) Indicating reasons to the Board in case the amount of expenditure is less than 2% of the average net profit 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 profit of the last three years

3.4.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1.	H S Shah[1]	Chairman
2.	S S Lalbhai	Member
3.	B N Mohanan	Member
4.	S A Panse[2]	Member

[1]Up to March 31, 2019 | [2]Chairperson effective April 01, 2019

3.4.3 Meetings and attendance

During 2018-19, one meeting was held.

No.	Name	Total	Attended
1.	H S Shah	1	–
2.	S S Lalbhai	1	1
3.	B N Mohanan	1	1
4.	S A Panse	1	1

The Board notes the minutes of the CSR Committee meetings.

3.5 Investment Committee

3.5.1 Role

i) Approving capital expenditure proposals exceeding ₹ 5 cr, but not exceeding ₹ 25 cr each

ii) Recommending to the Board for approval of capital expenditure proposals exceeding ₹ 25 cr each

iii) Recommending to the Board acquisition, disinvestment and divestment proposals

iv) Reviewing business strategies

v) Reviewing progress of the approved projects

3.5.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1.	R A Shah	Chairman
2.	S S Baijal[1]	Member
3.	B S Mehta	Member
4.	S M Datta	Member
5.	S S Lalbhai	Member

[1]Up to March 31, 2019

3.5.3 Meetings and attendance

During 2018-19, two meetings were held.

No.	Name	Total	Attended
1.	R A Shah	2	2
2.	S S Baijal	2	2
3.	B S Mehta	2	2
4.	S M Datta	2	2
5.	S S Lalbhai	2	2

The Board notes the minutes of the Investment Committee meetings.

3.6 Risk Management Committee

3.6.1 Role

i) Coordinate its activities with the Audit Committee in instances where there is any overlap with audit activities

ii) Monitor and review risk management plan (including plan for cyber security)

iii) Monitor and review the process and progress of:

- » risk identification and definition
- » risk classification
- » risk assessment and prioritisation
- » risk mitigation
- » risk tracking | reporting mechanism

iv) Review periodically and suggest changes in the Risk Management Policy to the Board

3.6.2 Composition

The Committee comprises following Members:

No.	Name	Designation
1.	S S Lalbhai	Chairman
2.	B N Mohanan	Member
3.	T R Gopi Kannan	Member

3.6.3 Meetings and attendance

The Committee was set up effective April 01, 2019. Thus, no meeting was held during 2018-19.

The Board will note the minutes of the Risk Management Committee meetings.

4. Subsidiary companies registered in India

As on March 31, 2019, the Company had 13 non-material Indian subsidiary companies:

a) six wholly-owned – Aaranyak Urmi Ltd, Anchor Adhesives Pvt Ltd, Atul Bioscience Ltd, Atul Finserv Ltd, Atul Fin Resources Ltd and Atul Nivesh Ltd

b) one joint venture – Atul Rajasthan Date Palms Ltd

c) six others – Aasthan Dates Ltd, Amal 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 at https://www.atul.co.in/investors/polices All the Directors and the Senior Management Personnel have affirmed their compliance with the Code of Conduct. A declaration to this effect signed by the Chairman and Managing Director forms a part of this report.

5.3 Prevention of sexual harassment of women at workplace

Pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Rules, 2013, the Company has framed a policy on prevention of sexual harassment of women at workplace and constituted Internal Complaints Committee. Status of complaint received during 2018-19 is as under:

Filed during 2018-19	1
Disposed of during 2018-19	1
Pending as at the end of 2018-19	Nil

5.4 Related party transactions

The Company has formulated a Related Party Transactions Policy and the same is disclosed on the website of the Company at https://www.atul.co.in/investors/policies

5.5 'Material' subsidiary companies

The Company has formulated a policy for determining 'material' subsidiary companies and the same is disclosed on the website of the Company at https://www.atul.co.in/investors/policies

5.6 Familiarisation programs

The details of Familiarisation programs imparted to Independent Directors are disclosed on the website of the Company at https://www.atul.co.in/investors/policies

5.7 Commodity price risk or foreign exchange risk and hedging activities

i) Risk management policy on commodities including through hedging

The Company has in place a Risk Management Policy and mechanism to assess risks, periodically review it and steps are taken to mitigate the risks. The Company uses certain raw materials, which are derivatives of various commodities, from various sources, for manufacturing products of the Company. Hedging products are not available for the major chemicals purchased by the Company. However, for minimising procurement risk for short duration, the Company enters into annual purchase contracts for key raw materials linked to input costs | published benchmark prices.

ii) Exposure of the Company to commodity and commodity risks faced throughout the year: NA

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

5.8 Credit ratings

Credit Analysis and Research Ltd 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).

6. Affirmation and disclosure

There were no materially significant related party transactions, pecuniary transactions or relationships between the Company and its Directors or the Management and their subsidiary companies or relatives, among others, during 2018-19 that may have a potential conflict with the interests of the Company at large. All details relating to financial and commercial transactions where the Directors may have a pecuniary interest are provided to the Board and the interested Directors neither participate in the discussion nor vote on such matters.

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

7. Shareholders' information

7.1 General Body meetings

7.1.1 Location and time where last three AGMs were held:

Year	Location	Date	Time
2015-16	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 29, 2016	10:30 am
2016-17	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 28, 2017	10:30 am
2017-18	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 27, 2018	10:30 am

7.1.2 Special resolutions passed in the previous three AGMs: yes

7.1.3 Resolutions passed through postal ballot: nil

7.2 Annual General Meeting 2019

Details of the 42nd AGM are as under:

Year	Location	Date	Time
2018-19	H T Parekh Hall Ahmedabad Management Association Dr Vikram Sarabhai Marg Ahmedabad 380 015, Gujarat, India	July 31, 2019	10:30 am

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

7.3 Financial year

April 01 to March 31

7.4 Date of book closure

July 13, 2019 to July 19, 2019

7.5 Date of dividend payment

August 05, 2019

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 2019-20 to the Stock Exchanges where securities are listed. Pursuant to a circular of the Securities and Exchange Board of India, custody charges were also paid to the Depositories, namely National Securities Depository Ltd and Central Depository Services (India) Ltd. The International Securities Identification Number of the equity shares of the Company is INE100A01010. The corporate identification 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 2018-19 are as under:

Month	Share price of the Company on BSE		BSE Sensex	
	High ₹	Low ₹	High ₹	Low ₹
April 2018	3,090.00	2,612.05	35,213.30	32,972.56
May 2018	2,940.00	2,702.00	35,993.53	34,302.89
June 2018	2,806.00	2,601.50	35,877.41	34,784.68
July 2018	2,917.45	2,600.00	37,644.59	35,106.57
August 2018	3,344.00	2,827.20	38,989.65	37,128.99
September 2018	3,290.00	3,032.90	38,934.35	35,985.63
October 2018	3,434.00	2,830.00	36,616.64	33,291.58
November 2018	3,618.00	3,300.05	36,389.22	34,303.38
December 2018	3,527.85	3,260.00	36,554.99	34,426.29
January 2019	3,633.25	3,273.00	36,701.03	35,375.51
February 2019	3,550.00	3,285.00	37,172.18	35,287.16
March 2019	3,436.05	3,267.70	38,748.54	35,926.94

7.9 Registrar and transfer agent

Link Intime India Pvt Ltd

506-508, Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, Telephone: (+91 79) 26465179 | 86 | 87.

7.10 Share transfer system

Securities lodged for transfer at the office of the Registrar are processed within 15 days from the date of lodgement, if the documents are clear in all respect. All requests for dematerialisation of securities are processed and the confirmation is given to the depositories within 15 days or the additional time allowed by the SEBI, as the case may be.

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

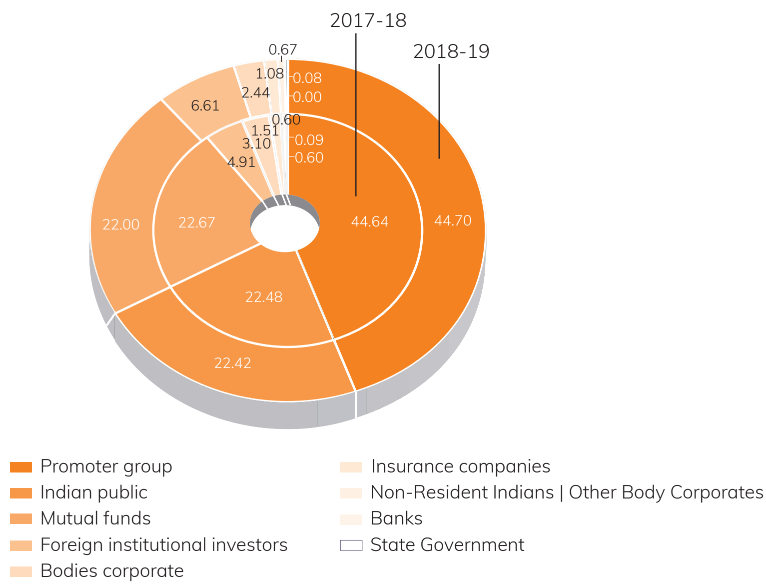
7.11 Distribution of shareholding as on March 31, 2019

7.11.1 Shareholding-wise:

Holding	Shareholders		Shares	
	Numbers	% of total	Numbers	% of total
1 – 10	8,690	30.90	43,162	0.15
11 – 50	9,426	33.51	2,64,746	0.89
51 – 100	3,565	12.67	2,93,541	0.99
101 – 500	4,682	16.64	11,27,894	3.80
501 – 1,000	898	3.19	6,63,309	2.24
1,001 – 2,000	375	1.33	5,30,779	1.79
2,001 – 3,000	127	0.45	3,14,442	1.06
3,001 – 4,000	65	0.23	2,34,903	0.79
4,001 – 5,000	41	0.15	1,91,945	0.65
5,001 – 10,000	101	0.36	7,21,077	2.43
10,001 and above	160	0.57	2,52,75,935	85.21
Total	**28,130**	**100.0**	**2,96,61,733**	**100.00**

7.11.2 Category-wise:

Category	Shares (numbers)	Shareholding (%)
Promoter group	1,32,57,524	44.70
Indian public	66,51,554	22.42
Mutual funds	65,23,163	22.00
Foreign institutional investors	19,60,871	6.61
Bodies corporate	7,22,743	2.44
Insurance companies	3,21,572	1.08
Non-Resident Indians | Other Body Corporates	1,98,758	0.67
Banks	25,212	0.08
State government	336	0.00
Total	**2,96,61,733**	**100.00**



7.12 Dematerialisation of shares and liquidity

The paid-up share capital of the Company is held by the Members as on March 31, 2019 as follows:

98.22% in electronic form and 1.78% in physical form.

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

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

7.14 Equity shares held by the Non-executive Directors

No.	Name	Shares
1.	R A Shah	14,960
2.	S S Baijal	6,000
3.	B S Mehta	162
4.	H S Shah	1,290
5.	S M Datta	10,000
6.	V S Rangan	3,000
7.	M M Chitale	50
8.	S A Panse	50
9.	B R Arora	100

7.15 Location of plants

i) Atul 396 020, Gujarat, India

ii) GIDC, Ankleshwar 393 002, Gujarat, India

iii) GIDC, Kharod 394 115, Gujarat, India

iv) MIDC, Tarapur 401 506, Maharashtra, India

7.16 Address for correspondence

Secretarial and Legal department, Atul Ltd, Atul 396 020, Gujarat, India

E-mail address: sec@atul.co.in

7.17 E-mail address of grievance redressal office

shareholders@atul.co.in

7.18 Nomination facility

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

7.19 Communication

Half-yearly report sent to each household of the Members	Half-yearly report was not sent to the Members.
Quarterly and half-yearly results	Quarterly and half-yearly results of the Company were sent to the Stock Exchanges immediately after approval by the Board and published in The 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 analysts	Presentation was made to analysts on May 04, 2018 and a copy thereof was displayed on the website of the Company.
Management Discussion and Analysis	Management Discussion and Analysis is a part of the Annual Report.

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

No.	Particulars	Dates
1.	First quarter results	July 26, 2019
2.	Second quarter and half-yearly results	October 25, 2019
3.	Third quarter results	January 24, 2020
4.	Fourth quarter and annual results	April 28, 2020

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. Payment to Statutory Auditors

During 2018-19, ₹ 0.61 cr was paid by the Company and its subsidiary companies to the Statutory Auditors | entities in network firm | network entity of which the Statutory Auditors are a member.

10. Evaluation by the Independent Directors

The Independent Directors at their meeting held on March 15, 2019 carried out annual evaluation in accordance with the Regulation 25(4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

11. Role of the Company Secretary in overall governance process

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

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

Mr 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 26, 2019 in which the accounts for the year ended March 31, 2019 were considered and approved by the Board.

13. Certification by the Practicing Company Secretary

Certificate from Rajesh Parekh & Co, Practicing Company Secretary, 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 forms a part of the Annual Report.

14. 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 26, 2019

(S S Lalbhai)
Chairman and Managing Director

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, 2019, as stipulated in Regulations 17, 18, 19, 20, 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 limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations, 2015 and that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI, the Ministry of Corporate Affairs or any other statutory authority.

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

For Rajesh Parekh & Co.
Company Secretary

(Rajesh Parekh)
Proprietor
Membership number: 8073

Mumbai
April 26, 2019

Business Responsibility Report

Securities and Exchange Board of India (SEBI) has mandated the requirement of submission of Business Responsibility Report (BRR) for the first 500 listed entities under Regulation 34(2)(f) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Atul is pleased to present its third BRR for 2018-19 based on the suggested framework provided by SEBI.

Section A: General information

01. Corporate identification number: L99999GJ1975PLC002859
02. Name: Atul Ltd
03. Registered office address: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India
04. Website: www.atul.co.in
05. E-mail address: sec@atul.co.in
06. Financial year reported: 2018-19
07. Sector(s) engaged in (industrial activity code-wise): 201- basic chemicals, 202 - other chemical products
08. Three key products | services manufactured | provided:
    - i) Epoxy resins and hardeners
    - ii) Herbicides
    - iii) Textile dyes
09. Number of locations where business activity is undertaken:
    - i) International locations: 7*
    - ii) National locations: 9

    * through subsidiary companies
10. Markets served: national and international

Section B: Financial details

1. Paid-up capital: ₹ 29.68 cr
2. Turnover: ₹ 3,845 cr
3. Profit after tax: ₹ 429 cr
4. Spending on Corporate Social Responsibility: ₹ 7.90 cr (2% of average net profit of the Company for last three financial years)
5. Activities in which the Corporate Social Responsibility expenditures have been incurred: refer to page number 35.

Section C: Other details

1. Number of subsidiary companies: 21
2. Participation of the subsidiary companies in Business Responsibility (BR) initiatives: all operating subsidiary companies are participating in the BR initiatives of the Company.
3. Percentage of participation in BR initiatives by other entities (suppliers | customers) with whom the Company does business: 30 - 60%.

Section D: BR information

1. Details of the Director (responsible for BR) and the head of BR

a. Details of the Director:

Name:	**Mr Bharathy Mohanan**
Designation:	Whole-time Director and President - Utilities and Services
DIN:	00198716

b. Details of the head of BR:

Name:	**Mr Deepak Ahuja**
Designation:	Vice President - Human Resources
E-mail address:	deepak_ahuja@atul.co.in
Telephone:	(+91 2632) 230398

2. Principles related to BR as per National Voluntary Guidelines

The National Voluntary Guidelines on Economic, Environmental and Social responsibilities of Businesses released by the Ministry of Corporate Affairs has adopted nine principles related to BRR. These are as follows:

P1 **Ethics, transparency and accountability**
Businesses will conduct and govern themselves with ethics, transparency and accountability.

P2 **Product lifecycle sustainability**
Businesses will provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

P3 **Well-being of the employees**
Businesses will promote the well-being of all employees.

P4 **Engagement with the stakeholders**
Businesses will respect the interests of and be responsive towards all the stakeholders, especially those who are disadvantaged, marginalised and vulnerable.

P5 **Human rights**
Businesses will respect and promote human rights.

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

P7 **Policy advocacy**
Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.

P8 **Equitable development**
Businesses will support inclusive growth and equitable development.

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

a. Details of the compliance (Y: yes, N: no)

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
01.	Does the Company have policies for the 9 principles of BR?	Y	Y	Y	Y	Y	Y	Y	Y	Y
02.	Have the policies been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
03.	Do the policies conform to any national | international standards?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has developed policies for its significant operations in conformance with the international standards (such as ISO 9000, ISO 14000, OHSAS 18000), UNGC guidelines and ILO Principles.								
04.	Have the policies been approved by the Board? If so, has it been signed by the owner | MD | CEO | appropriate Board of Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		All the policies have been approved by the Board and have been signed by a Whole-time Director (WtD).								
05.	Does the Company have a specified Committee of the Board | Directors | Officials to oversee the implementation of the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The Company has appointed a WtD to oversee implementation of the policies.								
06.	What is the URL to view the policies online?	The policies are not yet made available online.								
07.	Have the policies been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
		The policies have been communicated to many relevant internal and external stakeholders.								
08.	Does the Company have an in-house structure to implement the policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
09.	Does the Company have a grievance redressal mechanism to address grievances of the stakeholders (related to the policies)?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the Company carried out independent audit | evaluation of the working of the policies by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

3. **Governance**

No.	Questions	Frequency
a.	What is the frequency with which the Board, Committee of the Board or the CEO assesses the BR performance?	The WtD assesses the BR performance once a quarter.
b.	Whether BR and Sustainability reports are published and if so, its frequency and the URL of the published reports?	BRR report is published annually. URL: http://www.atul.co.in/sustainability/overview.html

Section E: Principle-wise performance

Principle 1: Ethics, transparency and accountability

Businesses must conduct and govern themselves with ethics, transparency and accountability.

1. Does the policy relating to ethics, bribery and corruption cover only the Company or does it extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

   The policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

2. How many stakeholders' complaints have been received in 2018-19 and what percentage was satisfactorily resolved by the Management?

   During 2018-19, no such complaints were received from the stakeholders and there were no outstanding complaints as on March 31, 2019.

Principle 2: Product lifecycle sustainability

Businesses will provide goods and services that are safe and contribute to sustainability throughout their lifecycle.

1. List up to three products or services of the Company whose design(s) has (have) incorporated social or environmental concerns, risks and | or opportunities.

   i) Caustic | Chlorine

   ii) *para* Cresol

   iii) Sulphur black

2. Does the Company have procedures in place for sustainable sourcing (including transportation)? If so, what percentage of inputs was sourced sustainably?

   The Company is in the process of institutionalising procedures for sustainable sourcing including transportation. Currently, the Company expects its suppliers to abide by ISO 9001 and ISO 14001 standards.

3. Has the Company taken any steps to procure goods and services from local and small producers | providers, including communities surrounding its place of work? If so, what steps have been taken to improve their capacity and capability?

   The Company gives preference to local and small producers I providers of goods and services based near its manufacturing sites. Its managers regularly interact with such producers I providers of goods and services to improve their capacity and capability, particularly in the areas of manufacturing and fabrication and safety, health and environment.

4. Does the Company have a mechanism to recycle its products and waste? If so, what percentage of products and waste is recycled (separately as <5%, 5-10%, >10%) and what are the details thereof?

   The Company has in-house facilities to recycle its waste and is continuously striving to minimise them. At present, it is recycling more than 10% of its waste. Ankleshwar manufacturing site is fully Zero Liquid Discharge (ZLD) and implementation plans are underway to make many other plants of the Company as ZLD. In addition to the in-house facilities, it also works with selected companies which are duly authorised by the State Pollution Control Board (SPCB) for using such waste as their inputs.

Principle 3: Well-being of the employees

Businesses will promote the well-being of all employees.

1. Number of employees: 2,574 permanent employees as on March 31, 2019
2. Number of employees on temporary | contractual | casual basis: 3,111 as on March 31, 2019

3. Number of permanent women employees: 99 as on March 31, 2019
4. Number of permanent employees with disabilities: 6 as on March 31, 2019
5. Recognition of employee association by the Management: the Management has recognised employee associations for workmen.
6. Percentage of permanent employees who are members of the recognised employee associations: 100% of workmen constituting 44% of the permanent employees.
7. Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment, discriminatory employment in 2018-19 and pending as on March 31, 2019: Nil
8. Percentage of employees given safety and skill up-gradation training in 2018-19:

Employee category	Employees imparted safety training	Employees imparted skill up-gradation training
Permanent employees	43%	82%
Temporary | contractual | casual employees	100%	56%
Permanent women employees	67%	72%
Permanent employees with disabilities	75%	75%

Principle 4: Engagement with the Stakeholders

Businesses will respect the interests of and be responsive towards all Stakeholders, especially those who are disadvantaged, marginalised and vulnerable.

1. Has the Company mapped its internal and external Stakeholders?

   The Company has mapped its internal and external Stakeholders; they are community, consumers, customers, employees, Government, lenders, NGOs and the Shareholders.

2. Out of the above, has the Company identified the disadvantaged, marginalised and vulnerable Stakeholders?

   The Company has identified the poor, tribals, women and children as the disadvantaged, marginalised and vulnerable Stakeholders.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, marginalised and vulnerable Stakeholders?

Stakeholder groups	Program	Initiatives (not exhaustive)*
Poor	• Empowerment • Health • Infrastructure • Relief	• Generated employment by hiring apprentices • Constructed individual household toilets • Constructed roads and installed street lights in villages • Provided relief kits to flood victims in Kerala
Tribals	• Education • Empowerment	• Trained tribal women as teachers to teach in village schools • Imparted vocational skills to tribal youth
Women	• Empowerment • Education	• Trained women in vocational courses • Distributed books to children in village schools
Children	• Infrastructure	• Constructed toilet blocks in village schools

*Details of various initiatives undertaken by the Company are given at page numbers 34, 35 and 36.

Principle 5: Human rights

Businesses will respect and promote human rights.

1. Does the policy of the Company on human rights cover only the Company or extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

   The policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

2. How many stakeholder complaints have been received in 2018-19 and what percent was satisfactorily resolved by the Management?

   During 2018-19, no complaints were received.

Principle 6: Environment

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

1. Does the policy related to environment cover only the Company or extend to the Group | joint ventures | suppliers | contractors | NGOs | others?

   The policy extends to the Group | joint ventures | suppliers | contractors | NGOs | others.

2. Does the Company have strategies | initiatives to address global environmental issues such as climate change, global warming, etc? If so, what is the URL?

   The Company has strategies I initiatives for enhancing its own performance (over which it is able to exercise control) related to issues concerning the environment. There is no URL at present.

3. Does the Company identify and assess potential environmental risks?

   The Company identifies and assesses potential environmental risks for its existing and new products.

4. Does the Company have any project related to Clean Development Mechanism? If so, state the details thereof and mention whether any environmental compliance report is filed.

   The Company is actively exploring and evaluating opportunities related to Clean Development Mechanism.

   The Company is also continuously improving its environmental performance for its existing products and undertakes thorough investigation for new products. Compliance needs of CPCB | SPCB are factored in at the designing stage of a new project.

5. Has the Company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc? If so, what is the URL?

   The Company regularly undertakes many initiatives related to clean technology, energy efficiency, renewable energy, etc

   For example, initiatives on energy conservation such as recovery of heat from furnace flue gas, recovery of water from flue gas, VFD on higher HP compressors, high efficiency motor, LED lighting, etc are implemented. At present, it does not have any URL.

6. Are the emissions | waste generated by the Company within permissible limits given by CPCB | SPCB for 2018-19?

   The effluents I emissions I waste generated by the manufacturing facilities of the Company are within the permissible limits given by CPCB I SPCB for 2018-19.

7. Number of show cause | legal notices received from CPCB | SPCB which are pending (not resolved to satisfaction) as of end of 2018-19.

   There were no pending show cause notices as on March 31, 2019.

Principle 7: Policy advocacy

Businesses, when engaged in influencing public and regulatory policy, will do so in a responsible manner.

1. Is the Company a member of any trade chamber or association?

   The Company is a member of various associations such as:

   i) Alkali Manufacturers Association of India

   ii) Basic Chemicals, Cosmetics and Dyes Export Promotion Council

   iii) Crop Care Federation of India

vi) Federation of Indian Export Organisations

v) Fragrance and Flavour Association of India

vii) Pesticides Manufacturers and Formulators Association

2. Has the Company advocated | lobbied through above associations for advancement or improvement of public good? If so, which are the broad areas?

   The Company works with trade associations from time to time for advancement or improvement of public good.

Principle 8: Equitable development

Businesses will support inclusive growth and equitable development.

1. Does the Company have specified programs | projects | initiatives in pursuit of the policy related to equitable development? If so, what are the details thereof?

   The Company has six programs, namely, Education, Empowerment, Health, Relief, Infrastructure and Conservation in support of inclusive growth and equitable development. Serving the society is embedded in its working since its inception - for example, its first site was established not only as a factory, but an integrated township. The details of initiatives undertaken for such programs are given at page numbers 18 and 19.

2. Are the programs | projects undertaken through in-house teams | own foundation | external NGOs | government structures | any other organisation?

   The Company undertakes projects through Atul Foundation (a trust established by the Company), NGOs and other selected trusts.

3. Has the Company done any impact assessment of its initiatives?

   Every initiative is monitored and reviewed for its effective implementation, quantitatively and qualitatively.

4. What is the direct contribution of the Company towards community development in terms of amount (in ₹) and what are the details of the projects I initiatives undertaken?

   The direct contribution of the Company was ₹ 790 lakhs (2018-19); details of the projects | initiatives undertaken are mentioned at page number 36.

5. Has the Company taken steps to ensure that community development projects | initiatives are successfully adopted by the community?

   Atul Foundation Trust identifies and implements projects along with the beneficiaries to ensure their successful adoption; for example, the project to build toilets is being implemented with active participation of all the beneficiaries.

Principle 9: Value to the customers

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

1. What percentage of customer complaints | consumer cases are pending as on March 31, 2019?

   Around 11%.

2. Does the Company display product information on the product label, over and above what is mandated as per local laws?

   The Company proactively displays product information on the label as per applicable national and international laws. Any additional information required is provided to the customers | consumers.

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and | or anti-competitive behaviour during the last five years and pending as on March 31, 2019?

   No cases were filed by any stakeholder against the Company for the above reasons.

4. Did the Company carry out any consumer survey | satisfaction trends?

   The Company undertakes customer satisfaction surveys periodically. The feedback received is compiled and analysed to take corrective actions.

Dividend Distribution Policy

Background

The Dividend Distribution Policy is formulated as required by the Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Philosophy

The Company believes that ploughing back of profits for driving growth is important in the long run for the creation of shareholders' value. At the same time, it recognises the need for distributing a portion of the profit as payout by way of appropriate rate of dividend to the shareholders. Thus, the Company strikes a judicious balance between the two while recommending the dividend rate for approval of the shareholders.

Parameters for declaration of dividend

A) **Financial parameters | Internal factors:**

- i) Consolidated net operating profit after tax
- ii) Working capital requirements
- iii) Capital expenditure requirements
- iv) Resources required to fund acquisitions and | or new businesses
- v) Cash required to meet contingencies
- vi) Quantum of outstanding debt
- vii) Past dividend trends
- viii) Investments in subsidiary | associate companies
- ix) Outlook for the near-term

B) **External factors:**

- i) Government policies
- ii) Economic environment and outlook for growth
- iii) Trade cycles
- iv) Dividend declared by companies in the same industry
- v) Any other factor having impact on the business of the Company

Circumstances under which the shareholders may or may not expect dividend

The shareholders may generally expect a reasonable dividend in case of significant profit and cash flow from operations.

Utilisation of retained earnings

The Company may declare dividend out of the profits of the Company for the year or out of the profits for any previous year or years or out of the free reserves available for distribution of dividend, after having due regard to the parameters laid down in this policy.

Parameters adopted with regard to various classes of shares

a) The authorised share capital of the Company is divided into equity shares of ₹ 10 each and preference shares of ₹ 100 each. The issued and paid-up share capital of the Company comprises only equity shares.

b) The Company will first declare dividend on outstanding preference shares, if any, at the rate of dividend fixed at the time of issue of preference shares and thereafter, the dividend will be declared on equity shares.

Amendment

The Policy may be amended by the Board of Directors.

Notice

NOTICE is hereby given that the 42nd Annual General Meeting of the Members of Atul Ltd will be held on Wednesday, July 31, 2019, at 10:30 am at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380 015, Gujarat, India to transact the following business:

Ordinary business:

1. To receive, consider and adopt:

   i. the audited Standalone Financial Statements of the Company for the financial year ended March 31, 2019 and the Reports of the Directors and the Auditors thereon and

   ii. the audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019 and the Report of the Auditors thereon.

2. To declare dividend on equity shares.

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

Special business:

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), approval be and is hereby accorded to the reappointment of Mr T R Gopi Kannan (DIN: 00048645) as a Whole-time Director of the Company, and his receiving of remuneration including minimum remuneration for a period of five years effective October 17, 2019, as per the draft Agreement submitted to this meeting and for identification initialed by the Chairman.

   RESOLVED FURTHER THAT the Board of Directors (Board) be and is hereby authorised to alter and vary any or all of the terms and conditions and the draft of Agreement as approved vide this resolution as may be deemed fit from time to time which may have the effect of increasing the remuneration and for considering modification 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."

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

   "RESOLVED THAT pursuant to the provisions of Sections 196, 197, 203 read with Schedule V of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), approval be and is hereby accorded to the reappointment of Mr 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 three years effective January 01, 2020, as per the draft Agreement submitted to this meeting and for identification initialed by the Chairman.

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

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr M M Chitale (DIN: 00101004), in respect of whom the Company has received a Notice in writing from a

Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the second term of five consecutive years from October 17, 2019 to October 16, 2024."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Ms S A Panse (DIN: 02599310), in respect of whom the Company has received a Notice in writing from a Member proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for the second term of five consecutive years from March 27, 2020 to March 26, 2025."

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

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152, Schedule IV of the Companies Act, 2013 and any other applicable provisions for the time being in force (including any statutory modification(s) or re-enactment thereof), Mr B R Arora (DIN: 00194168), in respect of whom the Company has received a Notice in writing from a Member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years from April 01, 2020 to March 31, 2025."

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

   "RESOLVED THAT pursuant to Section 148(3) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, the remuneration of ₹ 2.69 lakhs plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2020 as recommended by the Audit Committee and approved by the Board of Directors of the Company, to be paid to R Nanabhoy & Co, Cost Accountants, (FRN: 000010) for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers be and is hereby ratified and confirmed."

Notes

01. 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 am on Wednesday, July 29, 2019.

02. Copies of the Balance Sheet, the Statement of Profit and Loss, the Directors' Report, the Auditor's Report and every other document required by law to be annexed or attached to the Balance Sheet for the financial year ended March 31, 2019 are annexed | attached.

03. The Register of Members and the Share Transfer Books of the Company will remain closed from July 13, 2019 to July 19, 2019 (both days inclusive).

04. The dividend if approved will be paid to those Members whose names stand on the Register of Members on July 12, 2019.

    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 must 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 24th dividend onwards, that is, from financial year ended March 31, 2012, will be transferred to the Investor Education and Protection Fund (IEPF). Information in respect of such unclaimed dividends as to when they are due for transfer to the said fund is given below:

Dividend	Financial year ended	Date of declaration of dividend	Rate of dividend	Expected date of transfer of unpaid dividend to IEPF
24th	March 31, 2012	July 27, 2012	45%	July 26, 2019
25th	March 31, 2013	July 26, 2013	60%	July 25, 2020
26th	March 31, 2014	July 25, 2014	75%	July 24, 2021
27th	March 31, 2015	August 04, 2015	85%	August 03, 2022
28th	March 31, 2016	July 29, 2016	100%	July 28, 2023
29th	March 31, 2017	July 28, 2017	100%	July 27, 2024
30th	March 31, 2018	July 27, 2018	120%	July 26, 2025

No claim will 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. Pursuant to the Investors Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (Rules), the Company has transferred the equity shares in respect of which dividend has not been claimed | encashed for seven or more consecutive years to the Investor Education and Protection Fund of the Central Government during the financial year 2018-19. The Company regularly sends letters to the shareholders whose dividend has not been claimed | encashed for seven or more consecutive years. The details of such shareholders are posted on the website of the Company at https://www.atul.co.in/investors/unclaimed-dividends Please note that the shares transferred to the IEPF can be claimed from the IEPF Authority as per the procedure prescribed under the Rules.

07. Electronic copy of the Annual Report for 2018-19 is being sent to all the Members whose e-mail addresses are registered with the Company | Depository Participants; however, a print copy is being sent in the permitted mode to such Members who may have so requested and to the Members who have not so registered.

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 42nd 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 42nd Annual General Meeting (AGM) and the Annual Report for 2018-19 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 to in this Notice but not attached to it will be available at the registered office of the Company for inspection during normal business hours on working days on or before the date of the AGM. Even after registering for e-communication, the Members are entitled to receive communication in physical form (upon making a request for the same) by post, free of cost.

10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under the Companies Act, 2013, will be available for inspection by the Members at the Annual General Meeting.

11. The Members desiring any information relating to the accounts, are requested to write to the Company at least seven days before the date of the Annual General Meeting (AGM) so as to enable the Management to keep the information ready and provide it at the AGM.

12. 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 42nd 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).

12.1 The instructions for remote e-voting are as under:

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

12.1.2 Click on 'Shareholders' tab.

12.1.3 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

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

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

i. Use the existing password.

ii. Click on the Electronic Voting Serial Number of Atul Ltd for voting.

iii. '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.

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

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

vi. After voting on a resolution, the Members will not be allowed to modify their vote.

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

viii. 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.

12.1.6 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:

i. Register as under:

a) 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.

b) 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

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

iii. 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.

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

v. Click on the Electronic Voting Serial Number of Atul Ltd for voting.

vi. '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.

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

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

ix. After voting on a resolution, the Members will not be allowed to modify their vote.

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

xi. 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.

12.1.7 Note for the non-individual Member and the Custodian:

i. 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.

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

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

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

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

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

12.1.8 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. The Members may also contact Mr Rakesh Dalvi, Manager, Central Depository Services (India) Ltd, 25th Floor, A Wing, Marathon Futurex, Mafatlal Mills Compound, N M Joshi Marg, Lower Parel (E), Mumbai 400 013, Maharashtra, India, e-mail address: helpdesk.evoting@cdslindia.com, telephone: 1800 225 533, or Mr Nilesh Dalwadi, Team Member, Link Intime India Pvt Ltd, 506-508 Amarnath Business Centre - 1, Umashankar Joshi Marg, Off C G Road, Ahmedabad 380 006, Gujarat, India, e-mail address: nilesh.dalwadi@linkintime.co.in, telephone: (+91 79) 26465179 | 86 | 87, or Mr S M Bhavsar, Senior Manager, Atul Ltd, Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India, e-mail address: shareholders@atul.co.in, telephone: (+91 79) 26461294 | 26463706.

12.2 The remote e-voting period commences on July 28, 2019 (at 9:00 am) and ends on July 30, 2019 (at 5:00 pm). During this period, the Members holding shares either in physical form or in demat form, as on the cut-off date of July 19, 2019, may cast their votes electronically. The remote e-voting module will be disabled by CDSL for voting after the said period. Once the vote on a resolution is cast by the Member, no change will be allowed subsequently.

12.3 The voting rights of the Members will be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of July 19, 2019.

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

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

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

13. 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.

14. The Members may send their comments on or suggestions for improvement of the Annual Report by e-mail to sec@atul.co.in

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

16. At the ensuing Annual General Meeting:

    i) Mr T R Gopi Kannan is proposed to be reappointed as a Whole-time Director of the Company effective October 17, 2019.

    ii) Mr B N Mohanan is proposed to be reappointed as a Whole-time Director of the Company effective January 01, 2020.

    iii) Mr M M Chitale, Ms S A Panse and Mr B R Arora are proposed to be reappointed as Independent Directors of the Company for the second term effective October 17, 2019, March 27, 2020 and April 01, 2020 respectively.

    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 the Directors are given in the Explanatory Statement.

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

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
CIN: L99999GJ1975PLC002859
April 26, 2019

By order of the Board of Directors

(L P Patni)
Company Secretary and Chief Compliance Officer

CIN: Corporate 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 4, 5, 6, 7, 8 and 9 mentioned in the accompanying Notice:

Item number 4

The Members in the AGM held on August 04, 2015 had appointed Mr T R Gopi Kannan as Whole-time Director of the Company for a period of five years, effective October 17, 2014. The current term of his office is due to expire on October 16, 2019. It is now proposed to reappoint him as a Whole-time Director of the Company for further period of five years commencing October 17, 2019. The Board has approved proposal for his reappointment as a Whole-time Director. His brief résumé is as under:

Name	**Mr T R Gopi Kannan**
Date of birth	March 30, 1959
Brief résumé	Mr T R Gopi Kannan joined the Company on October 29, 1993 and is a Whole-time Director since October 17, 2014. He is a Member of the Stakeholders Relationship Committee and Risk Management Committee of the Board. Mr Gopi Kannan has 34 years of experience in various capacities and is currently the Chief Financial Officer. Mr Gopi Kannan is a Fellow Member of the Institute of Chartered Accountants of India, the Institute of Cost and Management Accountants of India and the Institute of Company Secretaries of India and holds a postgraduate diploma in Management.
Directorship in other companies	**Public companies** Amal Ltd Atul Bioscience Ltd Atul Elkay Polymers Ltd – Chairman Atul Finserv Ltd – Chairman Atul Fin Resources Ltd Atul Nivesh Ltd Atul Rajasthan Date Palms Ltd Rudolf Atul Chemicals Ltd **Foreign companies** Atul China Ltd – Chairman Atul Deutschland GmbH – Chairman
Membership in committees of other companies	**Chairman of committee** Rudolf Atul Chemicals Ltd – Corporate Social Responsibility Committee **Member of committees** Amal Ltd – Corporate Social Responsibility Committee Amal Ltd – Stakeholders Relationship Committee Atul Bioscience Ltd – Audit Committee Rudolf Atul Chemicals Ltd – Audit Committee Rudolf Atul Chemicals Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	50

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

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

The material terms of the draft Agreement are as under:

I. Responsibilities:

Mr Gopi Kannan will have responsibilities of overall supervision of Assurance, Finance, Information Technology and Legal functions. 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.

II. Tenure:

The period of office of Mr Gopi Kannan will be for five years effective October 17, 2019.

III. Remuneration:

During the tenure of Mr Gopi Kannan, he will be paid remuneration as below:

1) Basic salary of ₹ 4,00,103 (Rupees four lakhs one hundred and three only) per month. The basic salary may be increased from time to time by the Nomination and Remuneration Committee at its absolute discretion within the contractual period of five years; however, the maximum basic salary payable will not exceed ₹ 8,00,000 (Rupees eight lakhs only) per month.
2) Allowances | Benefits of ₹ 5,25,098 (Rupees five lakhs twenty five thousand and ninety eight only) per month which may be revised from time to time up to ₹ 10,00,000 (Rupees ten lakhs only) per month.
3) Variable pay as per policy of the Company.
4) Perquisites
    a) Housing: the Company will provide furnished 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 car driver wages, fuel and maintenance expenses as per its policy.
    h) Communication devices: the Company will provide a landline telephone at residence and other communication devices at its entire cost as per its policy.
5) Retirals
    a) The Company will contribute towards provident fund and superannuation fund provided 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.

IV. Mr Gopi Kannan 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.

V. The above remuneration and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under Section 198 and any other applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Gopi Kannan will be paid minimum remuneration subject to Schedule V of the Companies Act, 2013.

VI. A rateable proportion of the aforesaid remuneration will be payable by the Company, in the event of cessation of office during any financial year.

VII. Mr Gopi Kannan will be entitled to reimbursement of expenses incurred by him in connection with the business of the Company.

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

IX. Notice period of six months will be applicable from either side.

The Board considers that the association of Mr Gopi Kannan will be beneficial to the Company. Accordingly, the Board recommends the resolution in item number 4 in the Notice in relation to the reappointment of Mr Gopi Kannan, a Whole-time Director for five years for approval by the Members as an ordinary resolution.

Memorandum of interest

The nature of the concern or interest of Mr Gopi Kannan, 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 5

The Members in the AGM held on July 29, 2016 had appointed Mr B N Mohanan as a Whole-time Director of the Company for a period of three years, effective January 01, 2017. The current term of his office is due to expire on December 31, 2019. It is now proposed to reappoint him as a Whole-time Director of the Company for further period of three years commencing January 01, 2020. The Board has approved proposal for his reappointment as a Whole-time Director. His brief résumé is as under:

Name	Mr B N Mohanan
Date of birth	May 26, 1950
Brief résumé	Mr B N Mohanan joined the Company on August 29, 1992 and is a Whole-time Director since January 01, 2009. He is a Member of the Corporate Social Responsibility Committee and Risk Management Committee of the Board. Mr Mohanan has 47 years of experience in various capacities and is currently the President, Utilities and Services and the Occupier. He is also the Managing Director of Atul Biospace Ltd and Atul Rajasthan Date Palms Ltd. Mr Mohanan holds a graduate degree in Engineering (Honours) from the University of Calicut.
Directorship in other companies	**Public companies** Aasthan Dates Ltd – Chairman Atul Biospace Ltd – Managing Director Atul Clean Energy Ltd – Chairman Atul Finserv Ltd Atul Rajasthan Date Palms Ltd – Managing Director Atul Seeds Ltd Biyaban Agri Ltd – Chairman Raja Dates Ltd – Chairman **Foreign companies** Atul Middle East FZ-LLC DPD Ltd
Membership in committees of other companies	**Member of committee** Atul Rajasthan Date Palms Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	5,800

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

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

The material terms of the draft Agreement are as under:

I. Responsibilities:

Mr Mohanan will have responsibilities of overall supervision of Utilities and Services Function. 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.

II. Tenure:

The period of office of Mr Mohanan will be for three years effective January 01, 2020.

III. Remuneration:

During the tenure of Mr Mohanan, he will be paid remuneration as below:

1) Basic salary of ₹ 3,38,418 (Rupees three lakhs thirty eight thousand four hundred and eighteen only) per month. The Basic Salary may be increased from time to time by the Nomination and Remuneration Committee at its absolute discretion within the contractual period of three years; however, the maximum basic salary payable will not exceed ₹ 5,92,000 (Rupees five lakhs ninety two thousand only) per month.
2) Allowances | Benefits of ₹ 3,42,355 (Rupees three lakhs forty two thousand three hundred and fifty five only) per month which may be revised from time to time up to ₹ 5,99,000 (Rupees five lakhs ninety nine thousand only) per month.
3) Variable pay as per policy of the Company.
4) Perquisites
    a) Housing: the Company will provide furnished 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 car driver wages, fuel and maintenance expenses as per its policy.
    h) Communication devices: the Company will provide a landline telephone at residence and other communication devices at its entire cost as per its policy.
5) Retirals
    a) The Company will contribute towards provident fund and superannuation fund provided 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.

IV. 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.

V. The above remuneration and any alteration thereof from time to time is subject to the overall limit of 5% of the annual net profit of the Company and subject further to the overall limit of 10% of the annual net profit of the Company as computed under Section 198 and any other applicable provisions of the Companies Act, 2013. Provided, however, that in the event of absence or inadequacy of profit, Mr Mohanan will be paid minimum remuneration subject to Schedule V of the Companies Act, 2013.

VI. A rateable proportion of the aforesaid remuneration will be payable by the Company, in the event of cessation of office during any financial year.

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

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

IX. Notice period of six months will be applicable from either side.

The Board considers that the association of Mr Mohanan will be beneficial to the Company. Accordingly, the Board recommends the resolution in item number 5 in the Notice in relation to the reappointment of Mr Mohanan as a Whole-time Director for three years for approval by the Members as a special resolution.

Memorandum of interest

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

Item number 6

The Members in the AGM held on August 04, 2015 had appointed Mr M M Chitale as an Independent Director of the Company for a term of five consecutive years, effective October 17, 2014. The current term of his office is due to expire on October 16, 2019. His brief résumé is as under:

Name	Mr M M Chitale
Date of birth	November 16, 1949
Brief résumé	Mr M M Chitale is a Director of the Company since October 2014. He is a Member of the Audit Committee and Chairman of the Nomination and Remuneration Committee of the Board. Mr Chitale is a founder of the Chartered Accountancy firm, Mukund M Chitale & Co. He has 46 years of experience in advising companies on their business, financial and strategic matters and is acknowledged as an expert in accounting and auditing matters in India. Mr Chitale was the President of the Institute of Chartered Accountants of India and the Chairman of the erstwhile National Advisory Committee on Accounting Standards. He has served on various committees set up by the Central Vigilance Commission, the Government of India, the International Federation of Accountants, the Reserve Bank of India and the Securities Exchange Board of India. He is connected with various reputed social and educational organisations. Mr Chitale is a Fellow Member of the Institute of Chartered Accountants of India.
Directorship in other companies	**Public companies** ASREC (India) Ltd Bhageria Industries Ltd Essel Propack Ltd Larsen & Toubro Infotech Ltd Larsen & Toubro Ltd Lodha Developers Ltd R R Kabel Ltd **Private companies** Principal Asset Management Company Pvt Ltd – Chairman

Membership in committees of other companies	**Chairman of committees** ASREC (India) Ltd – Nomination and Remuneration Committee Essel Propack Ltd – Audit Committee Larsen & Toubro Infotech Ltd – Audit Committee Larsen & Toubro Ltd – Audit Committee Lodha Developers Ltd – Audit Committee **Member of committees** ASREC (India) Ltd – Audit Committee ASREC (India) Ltd – Corporate Social Responsibility Committee Essel Propack Ltd – Nomination and Remuneration Committee Essel Propack Ltd – Corporate Social Responsibility Committee Lodha Developers Ltd – Nomination and Remuneration Committee Principal Asset Management Company Pvt Ltd - Audit Committee Principal Asset Management Company Pvt Ltd - Nomination and Remuneration Committee R R Kabel Ltd – Audit Committee R R Kabel Ltd – Nomination and Remuneration Committee
Relationship with other Directors	None
Number of shares held in the Company	50

Mr Chitale, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offering himself for appointment, it is proposed to appoint him as an Independent Director for the second term of five consecutive years from October 17, 2019 to October 16, 2024. A Notice has been received from a Member proposing Mr Chitale as a candidate for the office of Director of the Company.

In the opinion of the Board, Mr Chitale:

i) possesses rich experience and expertise relevant to the Company

ii) fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder

iii) is independent of the Management

Further, his proposed appointment is on the basis of the reports of his performance evaluation.

Given the above, corroborated by the valuable contribution made by Mr Chitale, the Board is of the view that his continued association will be beneficial to the Company.

A copy of the draft letter for Appointment of Mr Chitale as an Independent Director setting out the terms and conditions will be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day.

Mr Chitale does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Accordingly, the Board recommends the resolution in item number 6 in relation to appointment of Mr Chitale as an Independent Director for second term of five consecutive years for the approval by the Members as a special resolution.

Memorandum of interest

Except Mr Chitale, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item number 6.

Item number 7

The Members in the AGM held on August 04, 2015 had appointed Ms S A Panse as an Independent Director of the Company for a term of five consecutive years, effective March 27, 2015 to March 26, 2020. The current term of her office is due to expire on March 26, 2020. Her brief résumé is as under:

Name	**Ms S A Panse**
Date of birth	January 28, 1954
Brief résumé	Ms Panse is a Director of the Board since March 2015. She is the Chairman of the Corporate Social Responsibility Committee of the Board. Ms Panse has 42 years of experience in the field of banking and has worked in various positions in the Banking industry, the last being as the Chairman and Managing Director of Allahabad Bank Ltd. Ms Panse was the Chairman of the Quality Review Board of the Indian Institute of Actuaries for a period of two years and a Member of P J Nayak Committee on Corporate Governance set up by the Reserve Bank of India. Ms Panse holds a postgraduate degree in Science from Pune University, postgraduate degree in Business Administration from Drexel University and is a Certified Associate of the Indian Institute of Bankers.
Directorship in other companies	**Public companies** Cholamandalam MS General Insurance Company Ltd IL&FS Investment Managers Ltd KPIT Engineering Ltd PNB Housing Finance Ltd Sudarshan Chemical Industries Ltd The Federal Bank Ltd T I Financial Holdings Ltd
Membership in committees of other companies	**Chairman of committees** Cholamandalam MS General Insurance Company Ltd – Nomination and Remuneration Committee PNB Housing Finance Ltd – Audit Committee PNB Housing Finance Ltd – Stakeholders Relationship Committee T I Financial Holdings Ltd – Audit Committee **Member of committees** Cholamandalam MS General Insurance Company Ltd – Audit Committee The Federal Bank Ltd – Audit Committee
Relationship with other Directors	None
Number of shares held in the Company	50

Ms Panse, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offering herself for appointment, it is proposed to appoint her as an Independent Director for the second term of five consecutive years from March 27, 2020 to March 26, 2025. A Notice has been received from a Member proposing Ms Panse as a candidate for the office of Director of the Company.

In the opinion of the Board, Ms Panse:

i) possesses rich experience and expertise relevant to the Company

ii) fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder

iii) is independent of the Management

Further, her proposed appointment is on the basis of the reports of her performance evaluation.

Given the above, corroborated by the valuable contribution made by Ms Panse, the Board is of the view that her continued association will be beneficial to the Company.

A copy of the draft letter for appointment of Ms Panse as an Independent Director setting out the terms and conditions will be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day.

Ms Panse does not hold by herself or together with her relatives two percent or more of the total voting power of the Company.

Accordingly, the Board recommends the resolution in item number 7 in relation to appointment of Ms Panse as an Independent

Director for second term of five consecutive years for the approval by the Members as a special resolution.

Memorandum of interest

Except Ms Panse, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item number 7.

Item number 8

The Members in the AGM held on August 04, 2015 had appointed Mr B R Arora as an Independent Director of the Company for a term of five consecutive years, effective April 01, 2015. The current term of his office is due to expire on March 31, 2020. His brief résumé is as under:

Name	**Mr B R Arora**
Date of birth	June 03, 1944
Brief résumé	Mr B R Arora is a Director of the Board since April 2015. He is a Member of the Audit Committee, the Nomination and Remuneration Committee and the Chairman of the Stakeholders Relationship Committee of the Board. Mr Arora has 49 years of experience with leading multinational companies in India and abroad in Agrochemicals, Biologics, Infant Nutrition and Pharmaceuticals Businesses. Mr Arora held several senior positions including Chairman, Cyanamid Agro Ltd, Managing Director, Cyanamid India Ltd, Chairman and Managing Director, Wyeth – Lederle Ltd, Regional President – Asia, Pfizer Nutrition, Regional President – Asia and Pacific RIM, Nestle S A, Chairman, PT Wyeth. Nutrition Indonesia and Board Member, Wyeth Philippines Inc. He was also a Member of the Board of Directors of Asia Pacific Infant and Young Child Nutrition Association, Singapore, Chairman of the American Business Council, Mumbai and Vice President of Organisation of Pharmaceuticals Producers of India. Mr Arora holds a graduate degree in Mechanical Engineering from Punjab Engineering College and has undergone several programs at Asian Institute of Management, Michigan Business School, Harvard Business School and London Business School.
Directorship in other companies	**Public company** Wockhardt Ltd
Membership in committees of other companies	**Member of committees** Wockhardt Ltd – Audit Committee Wockhardt Ltd – Stakeholders Relationship Committee
Relationship with other Directors	None
Number of shares held in the Company	100

Mr Arora, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offering himself for appointment, it is proposed to appoint him as an Independent Director for the second term of five consecutive years from April 01, 2020 to March 31, 2025. A Notice has been received from a Member proposing Mr Arora as a candidate for the office of Director of the Company.

Effective April 01, 2019, Regulation 17(1A) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 introduced on May 09, 2018 *inter alia* requires justification in the Explanatory Statement for appointment of a person who has attained 75 years of age as an Independent Director.

In the opinion of the Board, Mr Arora:

i) possesses rich experience and expertise relevant to the Company

ii) fulfils the conditions specified in the Companies Act, 2013 and the Rules made thereunder

iii) is independent of the Management

Further, his proposed appointment is on the basis of the reports of his performance evaluation.

Given the above, corroborated by the valuable contribution made by Mr Arora, the Board is of the view that his continued association will be beneficial to the Company.

A copy of the draft letter for appointment of Mr Arora as an Independent Director setting out the terms and conditions will be available for inspection without any fee by the Members at the registered office of the Company during normal business hours on any working day.

Mr Arora does not hold by himself or together with his relatives two percent or more of the total voting power of the Company.

Accordingly, the Board recommends the resolution in item number 8 in relation to appointment of Mr Arora as an Independent Director for second term of five consecutive years for the approval by the Members as a special resolution.

Memorandum of interest

Except Mr Arora, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at item number 8.

Item number 9

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

On the recommendation of the Audit Committee, the Board considered and approved appointment of the Cost Auditors,

R Nanabhoy & Co, Cost Accountants, for conducting Cost Audit of the applicable products in the category of Bulk Drugs, Chemicals, Insecticides, Inorganic Chemicals, Organic Chemicals and their derivatives and Polymers at a remuneration of ₹ 2.69 lakhs plus taxes as applicable and reimbursement of actual travel and out of pocket expenses for the financial year ending March 31, 2020.

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

Memorandum of interest

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

By order of the Board of Directors

(L P Patni)
Company Secretary and Chief Compliance Officer

Registered office:
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India
CIN: L99999GJ1975PLC002859
April 26, 2019

CIN: Corporate identification number
CPN: Certificate of practice number
DIN: Director identification number
FRN: Firm registration number

Performance trend

(₹ cr)

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06
Operating results														
Net sales	3,845	3,052	2,639	2,403	2,510	2,307	1,964	1,746	1,508	1,168	1,159	998	895	817
Revenue	3,947	3,186	2,891	2,652	2,571	2,405	2,022	1,792	1,553	1,204	1,196	1,033	925	837
PBIDT	768	511	512	485	391	362	268	203	194	143	124	97	85	78
Finance costs	4	9	21	26	24	31	32	43	26	26	41	33	28	29
PBDT[1]	764	502	491	459	367	331	236	160	168	117	83	64	57	49
Depreciation	112	105	91	62	55	54	49	44	39	37	32	29	31	29
PBT from operations[1]	652	397	400	397	312	277	187	116	129	80	51	35	26	20
Exceptional | Non-recurring items	-	-	-	3[2]	-	20[2]	5	6	10	-	(5)	3	-	63
PBT	652	397	400	400	312	297	192	122	139	80	46	38	26	83
Tax	223	127	115	126	95	84	56	34	43	27	10	3	1	(1)
Net profit	429	270	285	274	217	213	136	88	96	53	36	35	25	84
Dividend (including DDT[3])[4]	40	33	36	30	30	26	21	16	16	14	10	10	10	10
Financial position														
Gross block[5]	1,333	1,243	1,118	945	1,345	1,285	1,202	1,100	1,002	986	967	936	771	730
Net block[5]	988	989	965	883	578	573	526	474	420	424	443	433	295	273
Other assets (net)	1,662	1,209	1,111	1,011	719	719	585	550	474	355	384	428	374	349
Capital employed	2,650	2,198	2,076	1,894	1,297	1,292	1,111	1,024	894	779	827	861	669	622
Equity share capital	30	30	30	30	30	30	30	30	30	30	30	30	30	30
Other equity	2,620	2,168	1,891	1,562	986	911	726	612	537	454	429	403	270	243
Total equity	2,650	2,198	1,921	1,592	1,016	941	756	642	567	484	459	433	300	273
Borrowings	-	-	155	302	281	351	355	382	327	295	368	428	369	349
Per equity share (₹)														
Dividend[6]	15.00	12.00	10.00	10.00	8.50	7.50	6.00	4.50	4.50	4.00	3.00	3.00	3.00	3.00
Book value	893	741	648	537	343	317	255	216	191	163	155	146	101	92
EPS	144.51	91.16	96.18	92.53	73.30	71.74	45.69	29.70	30.34	19.15	12.77	12.35	9.98	28.00
Key indicators														
PBIDT %	19.97	16.74	19.40	20.18	15.58	15.69	13.65	11.63	12.86	12.24	10.70	9.72	9.50	9.55
PBDT %	19.87	16.45	18.61	19.10	14.62	14.35	12.02	9.16	11.14	10.02	7.16	6.41	6.37	6.00
PBT %	16.96	13.01	15.16	16.52	12.43	12.01	9.52	6.64	8.55	6.85	4.40	3.51	2.91	2.45
Employee cost %	5.70	5.93	6.56	6.99	6.14	6.07	6.52	6.70	6.76	8.82	7.85	8.12	8.04	10.40
Finance costs %	0.10	0.29	0.80	1.08	0.96	1.34	1.63	2.46	1.72	2.23	3.54	3.31	3.13	3.55
Debt-Equity ratio	-	-	0.08	0.19	0.28	0.37	0.47	0.60	0.58	0.61	0.80	0.99	1.23	1.28
Interest coverage ratio	192.00	56.78	24.38	18.65	16.29	11.68	8.38	4.72	7.46	5.50	3.02	2.94	3.04	2.69
Asset turnover ratio[7]	3.04	2.60	2.44	3.10	2.02	1.87	1.70	1.67	1.55	1.20	1.22	1.14	1.25	1.19
RoCE %[1]	32.05	22.38	25.71	30.91	26.76	26.04	21.04	16.93	18.46	13.09	11.19	9.42	8.81	8.41
RoNW %[1]	17.70	13.11	16.23	20.78	22.18	23.45	18.74	13.56	16.37	11.24	8.95	8.80	8.73	8.56
Payment to exchequer	627	442	307	335	305	267	212	191	167	99	101	98	99	82

Notes:

[1]Excluding exceptional items | [2]Relates to one-time dividend received, grouped as revenue but excluded from PBIDT above | [3]Dividend distribution tax | [4]Paid during the year | [5]Including capital work-in-progress | [6]Proposed for the year | [7]Excluding capital work-in-progress

Figures from the year 2015-16 are as per Ind AS, for the years 2010-11 to 2014-15 are as per revised schedule VI and prior to 2010-11 are as per old Schedule VI of the Companies Act, 1956.

Financial Statements

Independent Auditor's Report

To the Members of Atul Ltd

Report on the audit of the Standalone Financial Statements

Opinion

01. We have audited the accompanying Standalone Financial Statements of Atul Ltd (the Company), which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including other comprehensive income), the Statement of Cash Flows and the Statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information.

02. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for opinion

03. We conducted our audit of the Standalone Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Standalone Financial Statements.

Key audit matters

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

Key audit matters	Auditor's responses
Contingent liabilities and provisions The Company has received certain claims from the government authorities and customers, which are disputed. These involve a high degree of judgement to determine the possible outcomes, and estimates relating to the timing and the amount of outflows of resources embodying economic benefits.	The audit procedures included but were not limited to: - Obtaining a detailed understanding processes and controls of the Management with respect to claims or disputes. - Evaluation of the design of the controls relating to compilation of the claims; assessment of probability of outcome, estimates of the timing and the amount of the outflows, and appropriate reporting by the Management and testing implementation and operating effectiveness of the key controls. - Performing following procedures on samples selected: • Understanding the matters by reading the correspondences | communications, minutes of the Audit Committee and | or the Board meetings and discussions with the appropriate Management personnel. • Making corroborative inquiries with appropriate level of the Management personnel including status update, expectation of outcomes with the basis, and the future course of action contemplated by the Company, and perusing legal opinions, if any, obtained by the Management. • Obtaining direct confirmation from the legal attorneys of the Company and considering their opinions | probability assessment of the outcomes. • Evaluating the evidences supporting the judgement of the Management about possible outcomes and the reasonableness of the estimates. We involved our internal experts for technical guidance and evaluation of the assessments of the Management, as appropriate. - Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
Adoption of Ind AS 115, Revenue from contracts with customers (new revenue accounting standard) The Company sells products to the customers under different types of contractual terms. The application of the new revenue accounting standard involved assessing if distinct performance obligations exist under each type of the contracts, and ensuring appropriate and adequate disclosures in the Standalone Financial Statements.	The audit procedures included but were not limited to: - Assessment of the processes of the Company for adoption of the new accounting standards. - Selecting a sample from each type of the contracts with the customers, and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Carrying out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. - Testing the relevant controls including access and change management controls of information technology systems, which are relevant for appropriate measurement and presentation of revenue and related account balances. - Performing following procedures on the samples selected: • Reading, analysing and identifying the distinct performance obligations in these contracts. • Comparing these performance obligations with that identified and recorded by the Company. • Considering the terms of the contracts to determine the transaction price and its allocation to the identified performance obligations. • Testing sample of revenues with the performance obligations specified in the underlying contracts. • Carrying analytical procedures for reasonableness of revenues disclosed by segments. - Evaluating the appropriateness of adequate disclosures in accordance with the standards.

05. **Information other than the Financial Statements and Auditor's Report thereon**

a) The Board of Directors of the Company is responsible for the other information. The other information comprises the information included in the letter to shareholders, operational highlights, financial charts, Directors Report and its annexure, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Report, Dividend Distribution Policy and performance trend but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditor's Report thereon.

b) Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

c) In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

d) If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Standalone Financial Statements

06. The Board of Directors of the Company is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

07. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

08. In preparing the Standalone Financial Statements, Management is responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibility for the audit of the Standalone Financial Statements

09. Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

10. As part of an audit in accordance with SAs specified under Section 143(10) of the Act, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

a) Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

e) Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Standalone Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Standalone Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

11. As required by Section 143(3) of the Act, based on our audit on the separate Financial Statements we report, to the extent applicable that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, Statement of Cash Flows and Statement of changes in equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the Directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Company.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

12. As required by the Companies (Auditor's Report) Order, 2016 (the Order), issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure B, a statement on the matters specified in paragraphs 3 and 4 of the Order.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm registration number: 117366W | W-100018

Samir R. Shah
Partner
Membership number: 101708

Mumbai,
April 26, 2019

Annexure A to the Independent Auditor's Report

Referred to in para 11(f) under 'Report on other legal and regulatory requirements' section of our report of even date.

Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

01. We have audited the internal financial controls over financial reporting of Atul Ltd (the Company) as of March 31, 2019 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

02. The Management of the Company is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

03. Our responsibility is to express an opinion on the internal financial controls of the Company over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

04. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the Auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements whether due to fraud or error.

05. 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

06. 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 Standalone Financial Statements for external purposes in accordance with Generally Accepted Accounting Principles. Internal financial control over financial reporting of a company includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Financial Statements in accordance with Generally Accepted Accounting Principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of Management and Directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the assets of the company that could have a material effect on the Standalone Financial Statements.

Inherent limitations of internal financial controls over financial reporting

07. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial 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

08. In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm registration number: 117366W | W-100018

Samir R. Shah
Partner
Membership number: 101708

Mumbai,
April 26, 2019

Annexure B to the Independent Auditor's Report

Referred to in para 12 under 'Report on other legal and regulatory requirements' Section of our report of even date

01. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which, in our opinion, appears generally reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, whilst reconciliation between physical verification report and fixed assets register for certain buildings, office equipment and furnitures, etc is under progress, the discrepancies noted are, *prima facie*, not material.

c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed | transfer deed | conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and acquired buildings which are freehold, are held in the name of the Company as at the Balance Sheet date, except the following:

Particulars of land and building	Carrying value as at March 31, 2019	Name of entity on the title deed
Freehold land	₹ 0.15 cr	Atul Products Ltd
Freehold land	₹ 3.85 cr	Land purchased from various individuals is in process of being transferred in the name of the Company
Freehold land - Investment properties	₹ 0.94 cr	Atul Products Ltd
Building in Delhi	₹ 0.02 cr	Atul Products Ltd

In respect of land that have been taken on lease and disclosed as property, plant and equipment in the Standalone Financial Statements, the lease Agreements are in the name of the Company, where the Company is the lessee in the Agreement. There are no buildings that have been taken on lease.

02. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

03. According to the information and explanations given to us, the Company has granted an interest free unsecured loan to Amal Ltd [Pursuant to an Order of the Board for Industrial and Financial Reconstruction] covered in the register maintained under Section 189 of the Companies Act, 2013. The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.

In respect of aforesaid loans:

a) The terms and conditions of the grant of such loans are, in our opinion, not prejudicial to interest of the Company.

b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

c) There is no overdue amount remaining outstanding as at the Balance Sheet date.

04. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

05. According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

06. The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under Sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

07. According to the information and explanations given to us, in respect of statutory dues:

a) The Company has been regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, customs duty, cess, goods and services tax and other material statutory dues applicable to it to the appropriate authorities.

b) There were no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, customs duty, cess, goods and services tax and other material statutory dues in arrears as at March 31, 2019 for a period of more than 6 months from the date they became payable.

c) There are no disputed dues of customs duty and goods and service tax which have not been deposited as on March 31, 2019. Details of dues of income tax and excise duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount unpaid (₹ cr)	Amount paid under protest (₹ cr)
Income Tax Act, 1961	Income tax	Commissioner of Income Tax (Appeals)	Assessment year 1999-2000, 2011-12	1.28	0.91
		Income Tax Appellate Tribunal	2010-11	*	0.87
The Central Excise Act, 1944 and Chapter V of the Finance Act, 1994	Excise duty and service tax	Commissioner (Appeals)	1993-2016	0.97	0.05
		Customs, Excise and Service Tax Appellate Tribunal	1992-2018	7.19	0.44
		High Court	1994-95	3.53	-
Customs Act, 1962	Customs duty	Commissioner (Appeals)	1994-2009	3.19	-
		High Court	2017-18	1.76	-

* ₹ 16,000

08. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings from financial institutions, banks and government. The Company has not issued any debentures.

09. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under Clause (ix) of the Order is not applicable.

10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

11. In our opinion and according to the information and explanations given to us, the Company has paid | provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

12. The Company is not a Nidhi Company and hence reporting under Clause (xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the Standalone Financial Statements, etc as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause (xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or Directors of its subsidiary company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Firm registration number: 117366W | W-100018

Samir R. Shah

Partner

Membership number: 101708

Mumbai,

April 26, 2019

Balance Sheet as at March 31, 2019

(₹ cr)

				Particulars	Note	As at March 31, 2019	As at March 31, 2018
A	ASSETS						
	1	**Non-current assets**					
		a)	Property, plant and equipment		2	917.84	918.87
		b)	Capital work-in-progress		2	70.31	69.56
		c)	Investment properties		3	3.22	3.22
		d)	Intangible assets		4	0.01	0.01
		e)	Financial assets				
			i)	Investments in subsidiary companies and joint venture company	5.1	202.55	142.47
			ii)	Other investments	5.2	526.13	452.34
			iii)	Loans	6	-	5.03
			iv)	Other financial assets	7	2.22	2.48
		f)	Income tax assets (net)		28.5	3.74	0.67
		g)	Other non-current assets		8	37.55	44.04
		Total non-current assets				**1,763.57**	**1,638.69**
	2	**Current assets**					
		a)	Inventories		9	427.81	378.95
		b)	Financial assets				
			i)	Investments	5.3	197.64	-
			ii)	Trade receivables	10	762.18	717.68
			iii)	Cash and cash equivalents	11	15.39	20.19
			iv)	Bank balances other than cash and cash equivalents above	12	13.23	1.98
			v)	Loans	6	4.92	2.04
			vi)	Other financial assets	7	17.45	31.94
		c)	Other current assets		8	143.69	127.68
		Total current assets				**1,582.31**	**1,280.46**
		Total assets				**3,345.88**	**2,919.15**
B	EQUITY AND LIABILITIES						
		Equity					
		a)	Equity share capital		13	29.68	29.68
		b)	Other equity		14	2,619.88	2,167.86
		Total equity				**2,649.56**	**2,197.54**
		Liabilities					
	1	**Non-current liabilities**					
		a)	Other financial liabilities		15	25.00	22.57
		b)	Provisions		16	18.70	17.71
		c)	Deferred tax liabilities (net)		28.5	122.57	124.65
		Total non-current liabilities				**166.27**	**164.93**
	2	**Current liabilities**					
		a)	Financial liabilities				
			i)	Borrowings	17	-	0.01
			ii)	Trade payables	18		
				Total outstanding dues of			
				a) Micro enterprises and small enterprises		7.19	3.90
				b) Creditors other than micro enterprises and small enterprises		410.91	466.56
			iii)	Other financial liabilities	15	68.09	55.18
		b)	Contract liabilities		19	8.15	-
		c)	Other current liabilities		20	6.31	14.66
		d)	Provisions		16	29.22	8.36
		e)	Current tax liabilities (net)		28.5	0.18	8.01
		Total current liabilities				**530.05**	**556.68**
		Total liabilities				**696.32**	**721.61**
		Total equity and liabilities				**3,345.88**	**2,919.15**

The accompanying Notes 1-28 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 26, 2019

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

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

For and on behalf of the Board of Directors

R A Shah
B S Mehta
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 26, 2019

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

(₹ cr)

Particulars	Note	2018-19	2017-18
INCOME			
Revenue from operations	21	3,915.81	3,147.56
Other income	22	31.36	38.46
Total income		**3,947.17**	**3,186.02**
EXPENSES			
Cost of materials consumed	23	2,113.21	1,653.33
Purchases of stock-in-trade		5.21	8.09
Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	(60.70)	31.76
Excise duty		-	40.07
Employee benefit expenses	25	218.57	181.34
Finance costs	26	3.66	8.90
Depreciation and amortisation expenses	2,4	111.99	104.78
Other expenses	27	903.33	760.50
Total expenses		**3,295.27**	**2,788.77**
Profit before tax		**651.90**	**397.25**
Tax expense			
Current tax	28.5	236.75	102.21
Deferred tax	28.5	(13.49)	24.63
Total tax expense		**223.26**	**126.84**
Profit for the year		**428.64**	**270.41**
Other comprehensive income			
a) Items that will not be reclassified to profit | loss			
i) Fair value of equity instruments through other comprehensive income (FVOCI)		73.80	37.32
ii) Remeasurement gain | (loss) on defined benefit plans		(0.37)	2.73
iii) Income tax related to items above		(10.87)	(0.95)
b) Items that will be reclassified to profit | loss			
i) Effective portion of gain | (loss) on cash flow hedges		1.22	0.05
ii) Income tax related to item no (i) above		(0.43)	(0.02)
Other comprehensive income, net of tax		**63.35**	**39.13**
Total comprehensive income for the year		**491.99**	**309.54**
Earnings per equity share			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	28.11	144.51	91.16

The accompanying Notes 1-28 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 26, 2019

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Whole-time Director and CFO

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For and on behalf of the Board of Directors

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S A Panse
B R Arora
Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director
Mumbai
April 26, 2019

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

A Equity share capital

(₹ cr)

Particulars	Note	Amount
As at March 31, 2017		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2018		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2019	13	**29.68**

B Other equity

(₹ cr)

Particulars	Reserves and surplus			Items of other comprehensive income		Total other equity
	Securities premium	General reserve	Retained earnings	FVOCI equity instruments	Effective portion of cash flow hedges	
As at March 31, 2017	**34.66**	**95.80**	**1,397.04**	**364.11**	**(0.47)**	**1,891.14**
Profit for the year	-	-	270.41	-	-	270.41
Other comprehensive income, net of tax	-	-	1.78	37.32	0.03	39.13
Total comprehensive income for the year	**-**	**-**	**272.19**	**37.32**	**0.03**	**309.54**
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	1.54	(1.54)	-	-
Hedging gain | (loss) reclassified to the Statement of Profit and Loss	-	-	-	-	0.47	0.47
Transactions with owners in their capacity as owners:						
Dividend on equity shares, including dividend distribution tax	-	-	(33.29)	-	-	(33.29)
As at March 31, 2018	**34.66**	**95.80**	**1,637.48**	**399.89**	**0.03**	**2,167.86**
Profit for the year	-	-	428.64	-	-	428.64
Other comprehensive income, net of tax	-	-	(0.24)	62.80	0.79	63.35
Total comprehensive income for the year	**-**	**-**	**428.40**	**62.80**	**0.79**	**491.99**
Hedging gain | (loss) reclassified to the Statement of Profit and Loss	-	-	-	-	(0.03)	(0.03)
Transactions with owners in their capacity as owners:						
Dividend on equity shares, including dividend distribution tax	-	-	(39.94)	-	-	(39.94)
As at March 31, 2019	**34.66**	**95.80**	**2,025.94**	**462.69**	**0.79**	**2,619.88**

The accompanying Notes 1-28 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 26, 2019

T R Gopi Kannan
Whole-time Director and CFO

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For and on behalf of the Board of Directors

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B R Arora
Directors

S S Lalbhai
Chairman and Managing Director

S A Lalbhai
Managing Director

Mumbai
April 26, 2019

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

(₹ cr)

	Particulars		2018-19	2017-18
A	CASH FLOW FROM OPERATING ACTIVITIES			
	Profit before tax		651.90	397.25
	Adjustments for:			
	Add:			
	Depreciation and amortisation expenses		111.99	104.78
	Finance costs		3.66	8.89
	Loss on assets sold or discarded		1.39	0.12
	Unrealised exchange rate difference (net)		7.63	(7.68)
	Bad debts and irrecoverable balances written off		0.20	-
	Allowance for doubtful debts		5.01	-
			129.88	106.11
			781.78	503.36
	Less:			
	Dividend income		6.11	21.16
	Interest income from financial assets measured at amortised cost		1.46	2.29
	Gain on disposal of current investments measured at FVPL		3.94	-
	Gain on disposal of property, plant and equipment		0.08	0.30
			11.59	23.75
	Operating profit before change in operating assets and liabilities		770.19	479.61
	Adjustments for:			
	(Increase) | Decrease in inventories		(48.86)	(11.06)
	(Increase) | Decrease in trade receivables		(54.79)	(202.94)
	(Increase) | Decrease in other financial assets		(2.11)	(2.72)
	(Increase) | Decrease in other assets		(4.19)	10.56
	Increase | (Decrease) in trade payables		(54.91)	141.39
	Increase | (Decrease) in other financial liabilities		17.15	10.95
	Increase | (Decrease) in contract liabilities		8.15	-
	Increase | (Decrease) in other current liabilities		(8.36)	(1.54)
	Increase | (Decrease) in current provisions		20.85	0.75
	Increase | (Decrease) in non-current provisions		0.99	(2.33)
			(126.08)	(56.94)
	Cash generated from operations		644.11	422.67
	Less:			
	Income tax paid (net of refund)		247.12	97.53
	Net cash flow from operating activities	A	**396.99**	**325.14**

Statement of Cash Flows for the year ended March 31, 2019 (continued)

(₹ cr)

Particulars			2018-19	2017-18
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Payments towards property, plant and equipment (including capital advances)		(121.25)	(114.04)
	Proceeds from disposal of property, plant and equipment		0.54	-
	Proceeds from disposal of equity instruments measured at FVOCI		-	0.06
	Purchase of current investments measured at FVPL (net)		(193.70)	-
	Repayments | (Disbursements) of loans given (net)		2.15	5.31
	Redemption of | (Investment in) bank deposits (net)		(10.52)	(0.01)
	Interest received on financial assets measured at amortised cost		1.35	2.20
	Dividend received		23.32	19.72
	Net cash used in investing activities	**B**	**(298.11)**	**(86.76)**
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Repayments of term loans		-	(21.23)
	Disbursements | (Repayments) of short-term borrowings (net)		(0.01)	(133.99)
	Payments of unclaimed dividend		(0.20)	(0.23)
	Interest paid		(3.66)	(9.07)
	Dividend on equity shares (including dividend distribution tax)		(39.74)	(33.07)
	Purchase of equity instruments measured at cost		(60.07)	(25.98)
	Net cash used in financing activities	**C**	**(103.68)**	**(223.57)**
	Net increase | (decrease) in cash and cash equivalents	**A+B+C**	(4.80)	14.81
	Cash and cash equivalents at the beginning of the year		20.19	5.38
	Cash and cash equivalents at the end of the year		15.39	20.19

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

ii) Cash flows from operating activities include ₹ 7.90 cr (March 31, 2018: ₹ 7.39 cr) being expenses towards Corporate Social Responsibility initiatives.

iii) Refer Note 17 (f) for a reconciliation of changes in liabilities arising from financing activities.

iv) Purchase of equity instruments measured at cost includes ₹ 20 cr optionally convertible cumulative redeemable preference shares for which conversion option exercised and allotment of resultant equity shares is in process.

The accompanying Notes 1-28 form an integral part of the Financial Statements

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 26, 2019

For and on behalf of the Board of Directors

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
B S Mehta
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 26, 2019

Notes to the Financial Statements

Background

Atul Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India and the principal places of manufacturing are located at Atul and Ankleshwar, Gujarat, India.

The Company is in the business of Life Science Chemicals and Performance and Other Chemicals and caters to the needs of varied industries across the world such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy.

Note 1 Significant accounting policies

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

a) Basis of preparation:

i) Compliance with Ind AS:

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

ii) Historical cost convention:

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

a) Certain financial assets and liabilities (including derivative instruments): measured at fair value

b) Defined benefit plans: plan assets measured at fair value

c) Biological assets: measured at fair value less cost to sell

iii) Recent accounting pronouncements:

Standards issued but not yet effective:

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs had notified Ind AS 116, Leases. Ind AS 116 will replace the existing Ind AS 17 Leases and related Interpretations. The Standard sets out the principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract that is, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the Statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessee. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

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

a) Full retrospective – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

b) Modified retrospective – Retrospectively, with the cumulative effect of initially applying the Standard recognised at the date of initial application

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

a) its carrying amount as if the Standard had been applied since the commencement date, but discounted at incremental borrowing rate of the lessee at the date of initial application or

b) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognised under Ind AS 17 immediately before the date of initial application.

The Company proposes to adopt the Standard on April 01, 2019 by using the 'Modified Retrospective Approach' for transitioning to Ind AS 116, and take the cumulative adjustment to retained earnings, on the date of initial application (April 01, 2019). Accordingly, comparatives for the year ended March 31, 2019 will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. No material impact on Ind AS 116 is expected.

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

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

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

The amendment will be effective April 01, 2019. The effect on adoption of Amendment to Ind AS 12 is not expected to be material in the Financial Statements.

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

The amendments require an entity:

a) to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and

b) to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

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

b) Foreign currency transactions:

i) Functional and presentation currency:

Items included in the Financial Statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Financial Statements of the Company are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gain | (loss) resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Statement of Profit and Loss except that they are deferred in other equity if they relate to qualifying cash flow hedges. Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Statement of Profit and Loss, within finance costs. All other foreign exchange gain | (loss) are presented in the Statement of Profit and Loss on a net basis within other income | (expense).

Non-monetary items that are measured at fair value that are denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

c) Revenue recognition:

i) Revenue from contracts with customers:

The Company adopted Ind AS 115, 'Revenue from Contracts with Customers' using the modified retrospective transition method effective April 01, 2018. Refer Note 28.17 for details of impact on the Financial Statements on account of the transition.

The Company manufacture and sell chemicals in domestic and international market, spread across two segments namely Life Sciences Chemicals and Performance and Other Chemicals.

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Company or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Company when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services including those embedded in contract for sale of goods namely freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Company expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Company only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

ii) Other revenue:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

d) Income tax:

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. The Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Company has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

e) Government grants:

i) Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

iii) Government grants relating to income are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

f) Leases:

As a lessee:

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

As a lessor:

Income from operating leases where the Company is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Balance Sheet based on their nature. Leases of property, plant and equipment where the Company as a lessor has substantially transferred all the risks and rewards are classified as finance lease. Finance leases are capitalised at the inception of the lease at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rent receivables, net of interest income, are included in other financial assets. Each lease receipt is allocated between the asset and interest income. The interest income is recognised in the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the asset for each period.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to the Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

g) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the Statement of Profit and Loss during the period in which they are incurred. Gains or losses arising on retirement or disposal of assets are recognised in the Statement of Profit and Loss.

Fruit bearing plants qualify as Bearer plant under Ind AS 16. Expenditure incurred on cultivation of plantations up to the date they become capable of bearing fruit are accumulated as Bearer plant under development (Immature) and then capitalised as a Bearer plant (Mature) to be depreciated over their estimated useful life.

The plantation destroyed due to calamity, disease or any other reasons whether capitalised as Bearer plant (Mature) or being carried under Bearer plant under development (Immature) are charged off to the Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on the straight-line method to allocate the cost of assets, net of their residual values, over their estimated useful lives.

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

Asset category	**Estimated useful life**
Buildings	30 to 60 years
Plant and equipment[1]	6 to 20 years
Vehicles[1]	6 to 10 years
Office equipment and furniture	5 to 10 years
Roads	5 years
Bearer plant[1]	40 years

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

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

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets. However, when there is no reasonable certainty that ownership will be obtained by the end of the lease term, assets are depreciated over the shorter of the lease term and their useful lives.

h) Intangible assets:

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

Development expenditure qualifying as an intangible asset, if any, is capitalised, to be amortised over the economic life of the product | patent.

Computer software cost is amortised over a period of three years using the straight-line method.

i) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Company, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

j) Impairment of assets:

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

k) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

l) Trade receivables:

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss.

m) Trade and other payables:

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

n) Inventories:

Inventories (other than harvested product of biological assets) are stated at cost or net realisable value whichever is lower. Cost is determined on moving weighted average basis.

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

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Company.

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

The harvested product of biological assets of the Company that is oil palm Fresh Fruit Bunch (FFB) is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

o) Investments and other financial assets:

Classification:

The Company classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

ii) Those measured at amortised cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

Debt instruments:

Initial recognition and measurement:

Financial asset is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial asset is recognised initially at fair value plus, in the case of financial asset not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial asset carried at fair value through profit or loss are expensed in the Statement of Profit and Loss.

Subsequent measurement:

Subsequent measurement of debt instruments depends on the business model of the Company for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

Measured at amortised cost:

Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the EIR method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Statement of Profit and Loss.

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

Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Statement of Profit and Loss. On derecognition, cumulative gain | (loss) previously recognised in OCI is reclassified from the equity to other income in the Statement of Profit and Loss.

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

A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Statement of Profit and Loss.

Equity instruments:

The Company subsequently measures all investments in equity instruments other than subsidiary companies, associate company and joint venture company at fair value. The Management of the Company has elected to present fair value gains and losses on such equity investments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the Statement of Profit and Loss. Dividends from such investments continue to be recognised in profit or loss as other income when the right to receive payment is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the Statement of Profit and Loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

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

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

Impairment of financial assets:

The Company assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 28.8 details how the Company determines whether there has been a significant increase in credit risk.

For trade and lease receivable only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

Derecognition:

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

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

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

Financial liabilities:

i) Classification as debt or equity:

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

ii) Initial recognition and measurement:

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

iii) Subsequent measurement:

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

iv) Derecognition:

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

p) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

q) Derivatives and hedging activities:

The Company holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss:

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Statement of Profit and Loss, when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting gains or losses are included in other income or other expenses. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

ii) Cash flow hedge:

The Company designates certain foreign exchange forward and options contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flow hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain | (loss) on the hedging instrument recognised in cash flow hedging reserve till the period the hedge was effective remains in cash flow hedging reserve until the forecasted transaction occurs. The cumulative gain | (loss) previously recognised in the cash flow hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedging reserve is reclassified to net profit in the Statement of Profit and Loss.

r) Borrowings:

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

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income | (expense).

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

s) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

t) Biological assets:

The biological assets of the Company comprise oil palms and tissue culture.

The Company classifies the tissue cultures as Mature and Immature plants. Mature biological assets are those which are available for sale in next 12 months or that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). The plants which are not mature are considered immature plants.

The oil palm trees are Bearer plant and are therefore presented and accounted for as property, plant and equipment. However, the oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets until the point of harvest. Harvested oil palm FFB are transferred to inventory at fair value less costs to sell when harvested.

Changes in fair value of oil palm FFB on trees are recognised in the Statement of Profit and Loss.

Mature and immature tissue culture plants, which are ready for sale in less than 12 months from the reporting date are classified as current assets under separate head of biological assets other than bearer plants and others under non-current assets.

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including auction charges, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income tax.

Tissue culture raised matured plants are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Statement of Profit and Loss. Immature tissue culture raised plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the immature plants at different stages and the fair value measurements are clearly unreliable.

u) Provisions and contingent liabilities:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

v) **Employee benefits:**

Defined benefit plan:

Gratuity:

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

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

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 Statement of Profit and Loss.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees' state insurance corporation, national pension scheme and labour welfare fund are charged as an expense to the Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Company has no further defined obligations beyond the monthly contributions.

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees. Compensation payable under voluntary retirement scheme is being charged to the Statement of Profit and Loss in the year of settlement.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

w) Research and Development expenditure:

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

x) Earnings per share:

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

For the purpose of calculating diluted EPS, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Critical estimates and judgements

Preparation of the Financial Statements require use of accounting estimates which, by definition, will seldom equal the actual results. This Note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets: Note 1 (g)

ii) Estimation of defined benefit obligation: Note 28.6

iii) Fair value measurements: Note 28.7

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

Note 2 Property, plant and equipment

(₹ cr)

Particulars	Land - freehold[1]	Land - leasehold[2]	Buildings[1,3]	Plant and equipment	Vehicles	Office equipment and furniture	Roads	Bearer plant	Total	Capital work-in-progress[4]
Gross carrying amount										
As at March 31, 2017	13.96	3.66	163.28	868.08	8.17	11.95	10.79	0.33	1,080.22	36.99
Additions	6.64	-	13.80	70.57	1.80	1.87	1.60	-	96.28	120.40
Other adjustments[5]	-	-	-	0.05	-	-	-	-	0.05	-
Disposal, transfer and adjustments	-	-	-	(0.84)	(2.75)	-	-	-	(3.59)	(87.83)
As at March 31, 2018	**20.60**	**3.66**	**177.08**	**937.86**	**7.22**	**13.82**	**12.39**	**0.33**	**1,172.96**	**69.56**
Additions	4.85	0.27	15.77	85.04	3.59	2.24	1.10	-	112.86	120.78
Other adjustments[5]									-	-
Disposal, transfer and adjustments	-	-	(1.04)	(19.97)	(2.28)	(0.08)	-	-	(23.37)	(120.03)
As at March 31, 2019	**25.44**	**3.93**	**191.81**	**1,002.93**	**8.54**	**15.98**	**13.48**	**0.33**	**1,262.44**	**70.31**
Depreciation | Amortisation										
Up to March 31, 2017	-	0.10	12.85	131.46	2.83	3.62	1.66	0.01	152.53	-
For the year	-	0.05	7.44	92.01	1.34	1.63	2.29	0.01	104.77	-
Disposal and adjustments	-	-	-	(0.83)	(2.38)	-	-	-	(3.21)	-
Up to March 31, 2018	**-**	**0.15**	**20.29**	**222.64**	**1.79**	**5.25**	**3.95**	**0.02**	**254.09**	**-**
For the year	-	0.11	7.95	98.21	1.65	1.66	2.40	0.01	111.99	-
Disposal and adjustments	-	-	(0.97)	(18.69)	(1.74)	(0.08)	-	-	(21.48)	-
Up to March 31, 2019	**-**	**0.26**	**27.27**	**302.16**	**1.70**	**6.83**	**6.35**	**0.03**	**344.60**	**-**
Net carrying amount										
As at March 31, 2018	20.60	3.51	156.79	715.22	5.43	8.57	8.44	0.31	918.87	69.56
As at March 31, 2019	**25.44**	**3.67**	**164.54**	**700.77**	**6.84**	**9.15**	**7.13**	**0.30**	**917.84**	**70.31**

Notes:

[1]Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Company has created first charge over its certain land and buildings in favour of the Government of Gujarat and paid a security deposit ₹ 2 cr (March 31, 2018: ₹ 2 cr).

[2]Refer Note 28.12 (b) (ii) for disclosures where the Company is a lessee under a finance lease.

[3]Includes premises on ownership basis ₹ 1.10 cr (March 31, 2018: ₹ 1.10 cr) and cost of fully paid share in co-operative society: ₹ 2,000 (March 31, 2018: ₹ 2,000).

[4]Capital work-in-progress mainly comprises addition | expansion projects in progress.

[5]Exchange rate difference capitalised during current year: nil (Previous year: ₹ 0.05 cr).

Refer Note 17 for information on property, plant and equipment hypothecated | mortgaged as security by the Company.

Refer Note 28. 2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

(₹ cr)

Note 3 Investment properties	As at March 31, 2019	As at March 31, 2018
Land - freehold		
Gross carrying amount	3.22	3.22
Net carrying amount	**3.22**	**3.22**

a) Amount recognised in the Statement of Profit and Loss for investment properties:

The Company has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Statement of Profit and Loss, since the Company does not receive any rental income, incur any depreciation or other operating expenses.

b) The Company does not have any contractual obligations to purchase, construct or develop, for maintenance or enhancements of investment property.

c) Fair value:

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment properties	110.00	141.00
	110.00	**141.00**

Estimation of fair value

The Company obtains valuations from independent valuer for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All resulting fair value estimates for investment properties are included in level 3.

(₹ cr)

Note 4 Intangible assets	Computer software
Gross carrying amount	
As at March 31, 2017	**0.21**
As at March 31, 2018	**0.21**
As at March 31, 2019	**0.21**
Amortisation	
Up to March 31, 2017	**0.19**
Amortisation charged for the year	0.01
Up to March 31, 2018	**0.20**
Amortisation charged for the year	-
Up to March 31, 2019	**0.20**
Net carrying amount	
As at March 31, 2018	0.01
As at March 31, 2019	**0.01**

(₹ cr)

Note 5.1 Investments in subsidiary companies and joint venture company		Face value	As at March 31, 2019		As at March 31, 2018	
			Number of shares		Number of shares	
a)	**Investment in equity instruments (fully paid-up)**					
	Subsidiary companies | joint venture company measured at cost					
	Quoted					
	In subsidiary company measured at cost					
	Amal Ltd[1]	10	4,12,453	18.16	4,12,453	18.16
	Unquoted					
	In foreign subsidiary companies measured at cost					
	Atul Brasil Quimicos Ltda	R$ 1	7,04,711	2.03	7,04,711	2.03
	Atul China Ltd	US$ 4,10,000	1	0.92	1	0.92
	Atul Deutschland GmbH	€ 1,00,000	1	-	1	-
	Atul Europe Ltd	£ 1	32,88,911	24.14	32,88,911	24.14
	Atul Middle East FZ-LLC	AED 1,000	300	0.51	300	0.51
	Atul USA Inc	US$ 1,000	2,000	6.29	2,000	6.29
	In Indian subsidiary companies measured at cost					
	Aasthan Dates Ltd	10	20,98,000	2.10	20,98,000	2.10
	Anchor Adhesives Pvt Ltd	10	5,86,155	2.28	5,86,155	2.28
	Atul Bioscience Ltd	10	1,53,85,505	22.57	1,08,40,050	12.57
	Atul Biospace Ltd	10	1,05,69,839	11.62	1,05,69,839	11.62
	Atul Finserv Ltd	100	30,16,516	67.37	20,83,971	36.81
		7	5,00,000	5.00	5,00,000	5.00
	Atul Rajasthan Date Palms Ltd	1,000	30,001	3.00	30,001	3.00
	Biyaban Agri Ltd	10	10,91,100	1.09	10,91,100	1.09
	Raja Dates Ltd	10	40,95,500	4.10	40,95,500	4.10
	In joint venture company measured at cost					
	Rudolf Atul Chemicals Ltd	10	29,18,750	6.13	29,18,750	6.13
b)	**Investment in preference shares (fully paid-up)**					
	Subsidiary company measured at amortised cost					
	Unquoted					
	Amal Ltd (0% redeemable preference shares)	10	80,00,000	5.24	80,00,000	5.72
	Subsidiary company measured at cost					
	Atul Bioscience Ltd					
	8% optionally convertible cumulative redeemable preference shares[2]	100	20,00,000	20.00	-	-
				202.55		**142.47**

(₹ cr)

Note 5.2 Other investments		Face value	As at March 31, 2019		As at March 31, 2018	
			Number of shares		Number of shares	
a)	**Investment in equity instruments (fully paid-up)**					
	Other companies measured at FVOCI					
	Quoted					
	Arvind Fashions Ltd[3]	4	8,25,494	86.11	-	-
	Arvind Ltd	10	41,27,471	37.54	41,27,471	158.06
	Arvind SmartSpaces Ltd	10	4,12,747	5.40	4,12,747	7.58
	BASF India Ltd	10	2,61,396	38.70	2,61,396	50.28
	ICICI Bank Ltd	2	1,09,026	4.36	1,09,026	3.03
	Jain Irrigation Systems Ltd	2	4,000	0.02	4,000	0.04
	Jain Irrigation Systems Ltd - DVR[4]	2	200		200	
	Nagarjuna Fertilizers and Chemicals Ltd	1	34,650	0.02	34,650	0.05
	Nagarjuna Oil Refinery Ltd (Current year: ₹ 11,025)	1	31,500		31,500	0.01
	Novartis India Ltd	5	3,74,627	25.69	3,74,627	22.93
	Pfizer Ltd	10	9,58,927	318.94	9,58,927	209.55
	The Anup Engineering Ltd[3]	10	1,52,869	8.54	-	-
	Unquoted					
	Bharuch Enviro Infrastructure Ltd	10	70,000	0.07	70,000	0.07
	Narmada Clean Tech Ltd	10	7,15,272	0.72	7,15,272	0.72
	OPGS Power Gujarat Pvt Ltd	0.19	5,03,000	0.01	-	-
	Gujarat Synthwood Ltd[5]	10	4,00,000	-	4,00,000	-
b)	**Investments in government or trust securities measured at amortised cost**					
	6 Years National Savings Certificates (deposited with government departments)		-	0.01	-	0.01
c)	**Share application money**		-	-	-	0.01
				526.13		**452.34**

(₹ cr)

Note 5.3 Current investment	As at March 31, 2019		As at March 31, 2018	
	Number of units		Number of units	
Investment in mutual funds measured at FVPL				
Unquoted				
Investment in mutual funds	9,24,33,119	197.64	-	-
		197.64		**-**
		926.32		**594.81**
Aggregate amount of quoted investments[1]		543.48		469.69
Aggregate market value of quoted investments		529.71		456.69
Aggregate amount of unquoted investments		382.84		125.12
Aggregate amount of impairment in value of investments		-		-

[1]Book value includes equity component of ₹ 18.12 cr (March 31, 2018: ₹ 18.12 cr) recognised on 0% preference shares and loans given to Amal Ltd carried at amortised cost | [2]Conversion option exercised and allotment of resultant shares in process | [3]Received in terms of demerger scheme | [4]Shares with differential voting rights (DVR) carrying value of ₹ 8,520 (March 31, 2018: ₹ 12,700) | [5]Under liquidation

(₹ cr)

Note 6 Loans		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
Loans to subsidiary companies (refer Note 28.4 and 28.13)					
i)	Considered good - secured	4.58	-	1.70	5.03
ii)	Considered good - unsecured	0.34	-	0.34	-
		4.92	**-**	**2.04**	**5.03**

(₹ cr)

Note 7 Other financial assets		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Security deposits for utilities and premises	0.87	0.89	0.37	0.73
b)	Derivative financial assets designated as hedges (net)	1.22	-	0.05	-
c)	Finance lease receivable	-	1.33	-	1.25
d)	Balance with banks in fixed deposits, with maturity beyond 12 months	-	-	-	0.50
e)	Dividends receivable	0.18	-	17.38	-
f)	Other receivables (including discount receivable, insurance receivable, etc)	15.18	-	14.14	-
		17.45	**2.22**	**31.94**	**2.48**

(₹ cr)

Note 8 Other assets			As at March 31, 2019		As at March 31, 2018	
			Current	Non-current	Current	Non-current
a)	Balances with government authorities					
	i)	Taxes paid under protest	-	19.64	-	18.82
	ii)	VAT receivable	-	6.50	-	19.07
	iii)	GST receivable	81.38	-	76.89	-
	iv)	Balances with statutory authorities	0.55	-	0.14	-
	v)	Deposit paid under protest	-	0.17	-	0.24
	vi)	Security deposit	-	2.00	-	2.00
b)	Export incentive receivables		35.31	-	24.09	-
c)	Capital advances		-	9.24	-	3.91
d)	Advances					
	i)	Related parties (refer Note 28.4)	0.68	-	0.55	-
	ii)	Others	25.04	-	25.03	-
e)	Other receivables		0.73	-	0.98	-
			143.69	**37.55**	**127.68**	**44.04**

(₹ cr)

Note 9 Inventories*		As at March 31, 2019	As at March 31, 2018
a)	Raw materials and packing materials	104.67	107.27
	Add: Goods-in-transit	19.12	31.58
		123.79	138.85
b)	Work-in-progress	110.62	99.11
c)	Finished goods	146.94	97.54
d)	Stock-in-trade	1.72	1.93
e)	Stores, spares and fuel	40.35	31.69
	Add: Goods-in-transit	4.39	9.83
		44.74	41.52
		427.81	**378.95**

* Valued at cost or net realisable value, whichever is lower.

Amounts recognised in the Statement of Profit and Loss:

Written-down value of inventories to net realisable value amounted to ₹ 12.26 cr (March 31, 2018: ₹ 6.85 cr). These were recognised as an expense during the year and included in cost of materials consumed, and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Statement of Profit and Loss.

(₹ cr)

Note 10 Trade receivables		As at March 31, 2019		As at March 31, 2018	
a)	Considered good - unsecured				
	i) Related parties (refer Note 28.4)		164.61		137.84
	ii) Others		594.19		573.49
b)	Which have significant increase in Credit Risk		3.38		6.35
c)	Credit impaired	7.61		2.60	
	Less: Allowance for doubtful debts (refer Note 28.8)	7.61		2.60	
			-		-
			762.18		**717.68**

(₹ cr)

Note 11 Cash and cash equivalents		As at March 31, 2019	As at March 31, 2018
a)	Balances with banks		
	In current accounts	15.28	20.09
b)	Cash on hand	0.11	0.10
		15.39	**20.19**

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

(₹ cr)

Note 12 Bank balances other than cash and cash equivalents above		As at March 31, 2019	As at March 31, 2018
a)	Unclaimed dividend	2.14	1.94
b)	Unclaimed interest on public deposit	0.01	0.01
c)	Short-term bank deposit with maturity between three and 12 months	11.08	0.03
		13.23	**1.98**

(₹ cr)

Note 13 Equity share capital	As at March 31, 2019	As at March 31, 2018
Authorised		
8,00,00,000 (March 31, 2018: 8,00,00,000) equity shares of ₹ 10 each	80.00	80.00
	80.00	80.00
Issued		
2,96,91,780 (March 31, 2018: 2,96,91,780) equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (March 31, 2018: 2,96,61,733) equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (March 31, 2018: 29,991) Add: Forfeited shares (amount paid-up)	0.02	0.02
	29.68	**29.68**

a) Rights, preferences and restrictions:

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

i) Equity shares:

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

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

ii) Dividend:

The Company declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Shares reserved for allotment at a later date:

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

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

(₹ cr)

No.	Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
		Holding %	Number of shares	Holding %	Number of shares
1	Aagam Holdings Pvt Ltd	22.42%	66,50,700	22.41%	66,50,000
2	Aeon Investments Pvt Ltd[1]	-	-	6.94%	20,60,817
3	Arvind Farms Pvt Ltd[2]	9.35%	27,72,642	-	-
4	HDFC Trustee Company Ltd	6.01%	17,82,336	-	-

[1]Amalgamated with Arvind Farms Pvt Ltd | [2]Pursuant to amalgamation of Aeon Investments Pvt Ltd and other shareholders

(₹ cr)

Note 14 Other equity			As at March 31, 2019	As at March 31, 2018
a)	Securities premium		34.66	34.66
b)	General reserve		95.80	95.80
c)	Retained earnings			
	Balance as at the beginning of the year		1,637.48	1,397.04
	Add: Profit for the year		428.64	270.41
	Add: Remeasurement gain | (loss) on defined benefit plans, net of tax		(0.24)	1.78
	Add: Transfer from OCI on disposal of FVOCI equity instruments		-	1.54
	Less: Dividend on equity shares, including dividend distribution tax {2017-18: ₹ 12 per share, (2016-17: ₹ 10 per share)}		(39.94)	(33.29)
	Balance as at the end of the year		2,025.94	1,637.48
d)	Other reserves			
	i)	FVOCI equity instruments		
		Balance as at the beginning of the year	399.89	364.11
		Add: Equity instruments through other comprehensive income (FVOCI)	73.80	37.32
		Less: Deferred tax liability on above	(11.00)	-
		Less: Transfer to retained earnings on disposal of FVOCI equity instruments	-	(1.54)
		Balance as at the end of the year	462.69	399.89

(₹ cr)

Note 14 Other equity (continued)			As at March 31, 2019	As at March 31, 2018
	ii)	Effective portion of cash flow hedges		
		Balance as at the beginning of the year	0.03	(0.47)
		Add: Effective portion of gain | (loss) on cash flow hedges	1.22	0.05
		Less: Deferred tax liability on above	(0.43)	(0.02)
		Less: Hedging gain | (loss) reclassified to the Statement of Profit and Loss	(0.03)	0.47
		Balance as at the end of the year	0.79	0.03
			2,619.88	**2,167.86**

Nature and purpose of other reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

General reserve represents the amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to general reserve is not required under the Companies Act, 2013.

c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to OCI, dividends or other distributions paid to shareholders.

d) FVOCI - equity instruments

The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are de-recognised.

e) Cash flow hedging reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

(₹ cr)

Note 15 Other financial liabilities		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Employee benefits payable	47.70	-	24.28	-
b)	Security deposits	-	22.39	-	19.80
c)	Unclaimed dividends*	2.14	-	1.95	-
d)	Unclaimed matured deposits and interest thereon*	0.01	-	0.01	-
e)	Creditor for capital goods	16.45	-	18.81	-
f)	Other liabilities (includes discount payable)	1.79	2.61	10.13	2.77
		68.09	**25.00**	**55.18**	**22.57**

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019.

(₹ cr)

Note 16 Provisions		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Provision for compensated absences	6.56	18.70	6.86	17.71
b)	Others {refer a (ii) and b below}	22.66	-	1.50	-
		29.22	**18.70**	**8.36**	**17.71**

a) Information about individual provisions and significant estimates

i) Compensated absences:

The Compensated absences cover the liability for sick and earned leave. Out of the total amount disclosed above, the amount of ₹ 6.56 cr (March 31, 2018 : ₹ 6.86 cr) is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

ii) Others:

Regulatory and other charges:

The Company has provided for certain regulatory and other charges for which claims have been received by the Company. The provision represents the unpaid amount that the entity expects to incur | pay for which the obligating event has already arisen as on the reporting date.

Effluent disposal:

The entity has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount the entity expects to incur for which the obligating event has already arisen as on the reporting date.

b) Movements in provisions:

(₹ cr)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Regulatory and other charges	Effluent disposal	Regulatory and other charges	Effluent disposal
Balance as at the beginning of the year	-	1.50	-	1.54
Less: Utilised	-	(1.50)	-	(1.54)
Provision made during the year	20.79	1.87	-	1.50
Balance as at the end of the year	**20.79**	**1.87**	**-**	**1.50**

(₹ cr)

Note 17 Borrowings	Maturity	Terms of repayment	Interest rate p.a.	As at March 31, 2019	As at March 31, 2018
				Current	Current
Unsecured					
Deposit from the Directors	1 - 12 months	1 - 12 months	6.50%	-	0.01
				-	**0.01**

a) Security details:

Working capital loans repayable on demand from banks (March 31, 2019: nil, March 31, 2018: nil) is secured by hypothecation of tangible current assets, namely, inventories and book debts of the Company as a whole and also secured by second and subservient charge on immovable and movable assets of the Company to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 102.31 cr (March 31, 2018: ₹ 88.30 cr).

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

(₹ cr)

	Particulars	As at March 31, 2019	As at March 31, 2018
First charge for current and second charge for non-current borrowings			
i)	Inventories	427.81	378.95
ii)	Trade receivables	762.18	717.68
iii)	Current assets other than inventories and trade receivables	189.76	181.79
		1,379.75	**1,278.42**
First charge for non-current and second charge for current borrowings			
Property, plant and equipment excluding leasehold land		899.02	900.21
Total assets as security		**2,278.77**	**2,178.63**

c) Net debt reconciliation:

(₹ cr)

Particulars	Liabilities from financing activities
	Current borrowings
Net debt as at March 31, 2017	155.23
Repayments	(155.22)
Interest expense	6.38
Interest paid	(6.38)
Net debt as at March 31, 2018	0.01
Repayments	(0.01)
Interest expense	-
Interest paid	-
Net debt as at March 31, 2019	-

(₹ cr)

Note 18 Trade payables			As at March 31, 2019	As at March 31, 2018
a)	Total outstanding dues of micro enterprises and small enterprises (refer Note 27.14)		7.19	3.90
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises			
	i)	Related party (refer Note 28.4)	15.05	11.32
	ii)	Others	395.86	455.24
			418.10	**470.46**

(₹ cr)

Note 19 Contract liabilities	As at March 31, 2019	As at March 31, 2018
For sale of products	8.15	-
	8.15	**-**

(₹ cr)

Note 20 Other current liabilities		As at March 31, 2019	As at March 31, 2018
a)	Statutory dues	4.52	4.05
b)	Advances received from customers	1.79	10.61
		6.31	**14.66**

(₹ cr)

Note 21 Revenue from operations	2018-19	2017-18
Disaggregation of revenue from contracts with customers:		
Sale of goods | services		
Life Science Chemicals	**1,317.75**	**1,062.28**
Domestic	575.15	480.33
Export	724.07	568.15
Other operating revenue	18.53	13.80
Performance and Other Chemicals	**2,825.23**	**2,279.07**
Domestic	1,605.86	1,304.20
Export	1,184.13	945.64
Other operating revenue	35.24	29.23
	4,142.98	3,341.35
Inter-segment revenue	227.17	193.79
Total revenue	**3,915.81**	**3,147.56**

Revenue from operations up to June 30, 2017 includes excise duty of ₹ 40.07 cr, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable with the previous year.

Reconciliation of revenue recognised with contract price:

(₹ cr)

Particulars	2018-19	2017-18
Contract price	3,886.05	3,141.01
Adjustments for:		
Consideration payable to customers - discounts[1]	(22.58)	(36.48)
Contract price allocated to unsatisfied performance obligation for sale of services (net)[2]	(1.43)	-
Revenue from contract with customers	**3,862.04**	**3,104.53**

[1]Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the contract price when the Company recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

[2]Unsatisfied performance obligation for sale of services comprises revenue from insurance and freight services for exports in-progress as at March 31, 2019 of ₹ 6.12 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2018 for ₹ 4.69 cr. The revenue for exports in progress as at March 31, 2019 will be recognised in 2019-20 upon completion of the exports.

(₹ cr)

Note 22 Other income	2018-19	2017-18
Dividends from equity investment measured at FVOCI	3.39	3.33
Dividends from equity investment measured at cost	0.19	17.38
Dividends from preference shares	0.17	-
Dividends from investments measured at FVPL	2.36	0.45
Interest income from financial assets measured at amortised cost	2.35	2.76
Interest from others	2.50	3.51
Lease income	0.35	0.34
Gain on disposal of property, plant and equipment	0.08	0.30
Gain on sale of investment measured at FVPL	3.94	-
Exchange rate difference gain (net)	10.98	2.88
Miscellaneous income	5.05	7.51
	31.36	**38.46**

(₹ cr)

Note 23 Cost of materials consumed	2018-19	2017-18
Raw materials and packing materials consumed		
Stocks at commencement	107.27	82.22
Add: Purchase	2,110.61	1,678.38
	2,217.88	1,760.60
Less: Stocks at close	104.67	107.27
	2,113.21	**1,653.33**

(₹ cr)

Note 24 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2018-19	2017-18
Stocks at close		
Finished goods	146.94	97.54
Work-in-progress	110.62	99.11
Stock-in-trade	1.72	1.93
	259.28	198.58
Less: Stocks at commencement		
Finished goods	97.54	112.03
Work-in-progress	99.11	112.76
Stock-in-trade	1.93	5.55
	198.58	230.34
(Increase) | Decrease in stocks	**(60.70)**	**31.76**

(₹ cr)

Note 25 Employee benefit expenses	2018-19	2017-18
Salaries, wages and bonus (refer Note 28.6)	193.90	162.17
Contribution to provident and other funds (refer Note 28.6)	16.82	12.35
Staff welfare	7.85	6.82
	218.57	**181.34**

(₹ cr)

Note 26 Finance costs	2018-19	2017-18
Interest on borrowings	0.14	6.38
Interest on financial liabilities at amortised cost	1.30	1.02
Interest on others	2.19	1.01
Other borrowings cost	0.03	0.49
	3.66	**8.90**

(₹ cr)

Note 27 Other expenses	2018-19	2017-18
Power, fuel and water	391.51	336.26
Freight, cartage and octroi	113.60	95.10
Manpower services	52.69	47.00
Consumption of stores and spares	51.84	45.90
Conversion and plant operation charges	54.14	40.82
Plant and equipment repairs	63.72	52.47
Building repairs	31.28	18.25
Sundry repairs	9.29	7.70
Rent	2.38	2.11
Rates and taxes	1.27	1.28
Insurance	5.85	5.44
Commission	11.64	11.60
Travelling and conveyance	17.50	17.10
Payments to the Statutory Auditors		
a) Audit fees	0.31	0.29
b) Tax matters	0.08	0.09
c) Other matters	0.05	0.21
d) Out of pocket expenses	0.01	0.05
Payments to the Cost Auditors		
a) Audit fees	0.03	0.03
b) Other matters (Previous year: ₹ 7,000)	-	
c) Out of pocket expenses (Current year: ₹ 15,432 and Previous year: ₹ 17,970)		
Directors' fees and travelling	0.35	0.31
Directors' commission (other than the Executive Directors)	1.02	0.79
Bad debts and irrecoverable balances written off	0.23	0.29
Provision for doubtful debts (net)	5.01	-
Loss on assets sold, discarded or demolished	1.39	0.12
Expenditure on Corporate Social Responsibility initiatives (refer Note 28.15)	7.90	7.39
Miscellaneous expenses	80.24	69.90
	903.33	**760.50**

Note 28.1 Contingent liabilities

(₹ cr)

	Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts in respects of:			
i)	Excise duty	7.21	8.73
ii)	Income tax	7.14	7.15
iii)	Customs duty	1.94	1.94
iv)	Water and other claims	102.41	96.65

Water and other claims includes claims received with respect to water charges, customer and other claims aggregating to ₹ 102.41 cr.

The above matters are currently being considered by the tax authorities | various forums and the Company expects the outcome will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities | various forums. The above (except in respect of water charges matter) excludes interest | penalties which may become payable in case of unfavourable outcome.

Note 28.2 Commitments

Capital commitments

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

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	69.01	21.33

Note 28.3 Research and Development

Details of expenditure incurred on approved in-house Research and Development facilities:

(₹ cr)

Particulars	2018-19	2017-18
Capital expenditure on building	1.34	-
Other capital expenditure	3.88	2.23
Recurring expenditure	24.79	20.59
	30.01	**22.82**

Note 28.4 Related party disclosures

Note 28.4 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
01	Aaranyak Urmi Ltd[1]	Subsidiary companies
02	Aasthan Dates Ltd	
03	Amal Ltd	
04	Anchor Adhesives Pvt Ltd	
05	Atul Aarogya Ltd	
06	Atul Ayurveda Ltd	
07	Atul Bioscience Ltd	
08	Atul Biospace Ltd	
09	Atul Brasil Quimicos Ltda	
10	Atul China Ltd	
11	Atul Clean Energy Ltd	
12	Atul Crop Care Ltd	
13	Atul Deutschland GmbH	
14	Atul Elkay Polymers Ltd	
15	Atul Entertainment Ltd	
16	Atul Europe Ltd	
17	Atul Finserv Ltd	
18	Atul Fin Resources Ltd[1]	
19	Atul Hospitality Ltd	
20	Atul Infotech Pvt Ltd[1]	
21	Atul Middle East FZ-LLC	
22	Atul Nivesh Ltd[1]	
23	Atul Rajasthan Date Palms Ltd[1]	
24	Atul (Retail) Brands Ltd	
25	Atul Seeds Ltd	
26	Atul USA Inc	
27	Biyaban Agri Ltd	
28	DPD Ltd[1]	
29	Gujarat Synthwood Ltd[2]	
30	Jayati Infrastructure Ltd	
31	Lapox Polymers Ltd	
32	Osia Dairy Ltd	
33	Osia Infrastructure Ltd	
34	Raja Dates Ltd	

Note 28.4 Related party disclosures (continued)

No.	Name of the related party	Description of relationship
	Other related parties with whom transactions have taken place during the year	
35	Rudolf Atul Chemicals Ltd	Joint venture company
36	Anaven LLP	Joint operation
37	Samveg Agencies Pvt Ltd	Entity over which control exercised by Key Management Personnel
38	Key Management Personnel	
	S S Lalbhai	Chairman and Managing Director
	S A Lalbhai	Managing Director
	B N Mohanan	Whole-time Director and President - U&S
	T R Gopi Kannan	Whole-time Director and CFO
	R A Shah	Non-executive Director
	S S Baijal	Non-executive Director
	B S Mehta	Non-executive Director
	H S Shah	Non-executive Director
	S M Datta	Non-executive Director
	V S Rangan	Non-executive Director
	M M Chitale	Non-executive Director
	S A Panse	Non-executive Director
	B R Arora	Non-executive Director
39	Close family members of Key Management Personnel	
	Vimla S Lalbhai	Mother of S S Lalbhai
	Swati S Lalbhai	Sister of S S Lalbhai
	Astha S Lalbhai	Daughter of S S Lalbhai
	Saumya S Lalbhai	Son of S A Lalbhai
	Nishtha S Lalbhai	Daughter of S S Lalbhai
40	Welfare funds	
	Atul Foundation Trust	Entities over which Key Management Personnel or their close family members have significant influence
	Atul Kelavani Mandal	
	Atul Rural Development Fund	
	Atul Vidyalaya	
	Urmi Stree Sanstha	
41	Other related parties[3]	Post-employment benefit plan of Atul Ltd
	The Atul Officers Retirement Benefit Fund	
	Atul Products Ltd-Ankleshwar Division Employees' Provident Fund Trust	
	Atul Limited Employees Gratuity Fund	

[1]Investments held through subsidiary companies | [2]Under liquidation | [3]Refer Note 28.6 for information on transactions with post-employment benefit plans mentioned above.

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (B) Transactions with subsidiary companies			2018-19	2017-18
a)	**Sales and income**			
	1	Sale of goods	**637.25**	**497.97**
		Aaranyak Urmi Ltd	0.04	-
		Amal Ltd	0.10	-
		Atul Bioscience Ltd	43.96	34.77
		Atul Biospace Ltd	7.49	7.75
		Atul China Ltd	138.73	69.88
		Atul Europe Ltd	192.86	187.01
		Atul Middle East FZ-LLC	0.61	-
		Atul USA Inc	253.46	198.56
	2	Service charges received	**3.02**	**2.16**
		Amal Ltd	0.43	0.40
		Atul Bioscience Ltd	2.31	1.53
		Atul Crop Care Ltd	0.07	0.06
		Atul Finserv Ltd	0.05	0.04
		Atul Infotech Pvt Ltd	0.12	0.10
		Lapox Polymers Ltd	0.04	0.03
	3	Interest received		
		Atul Bioscience Ltd	**0.65**	**0.56**
	4	Lease rent received		
		Amal Ltd (Current year: ₹ 8,000 and Previous year: ₹ 8,000)		
		Atul Bioscience Ltd (Current year: ₹ 3,935 and Previous year: ₹ 3,935)		
b)	**Purchases and expenses**			
	1	Purchase of goods	**41.47**	**30.42**
		Aasthan Dates Ltd	0.01	-
		Amal Ltd	29.01	25.93
		Atul Bioscience Ltd	2.26	0.13
		Atul Biospace Ltd	0.02	-
		Atul China Ltd	6.24	0.01
		Atul Europe Ltd	0.13	0.08
		Atul USA Inc	0.21	0.22
		DPD Ltd	3.59	4.05
		Raja Dates Ltd (Current year: ₹ 30,000)		-
	2	Service charges	**25.33**	**23.18**
		Atul Crop Care Ltd	9.92	10.13
		Atul Finserv Ltd	0.81	0.65
		Atul Infotech Pvt Ltd	3.08	2.59
		Lapox Polymers Ltd	11.52	9.81
	3	Commission	**4.85**	**3.44**
		Atul Brasil Quimicos Ltda	1.03	0.64
		Atul China Ltd	1.17	1.03
		Atul Middle East FZ-LLC	0.03	-
		Atul Europe Ltd	2.44	1.53
		Atul USA Inc	0.18	0.24

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4	(B) Transactions with subsidiary companies		2018-19	2017-18
	4	Reimbursement of expenses	**13.96**	**14.53**
		Aaranyak Urmi Ltd	0.02	-
		Amal Ltd	0.02	0.01
		Atul Bioscience Ltd	0.02	0.02
		Atul Brasil Quimicos Ltda	0.02	-
		Atul China Ltd	0.32	0.41
		Atul Crop Care Ltd	3.84	4.71
		Atul Europe Ltd	4.91	4.96
		Atul Finserv Ltd	0.72	0.91
		Atul Infotech Pvt Ltd	-	0.04
		Atul Middle East FZ-LLC	0.70	0.40
		Atul USA Inc	0.54	0.29
		Lapox Polymers Ltd	2.85	2.78
c)	**Other transactions**			
	1	Repayment of loans given	**3.00**	**6.30**
		Amal Ltd	3.00	2.00
		Atul Bioscience Ltd	-	4.30
	2	Direct investment made in equity shares	**40.56**	**27.35**
		Atul Bioscience Ltd	10.00	-
		Atul Biospace Ltd	-	2.80
		Atul Finserv Ltd	30.56	24.55
	3	Repayment of deposit given	**-**	**2.14**
		Atul Infotech Pvt Ltd	-	2.14
	4	Reimbursements received	**0.08**	**0.01**
		Atul Bioscience Ltd (Previous year: ₹ 37,802)	0.07	
		Atul Infotech Pvt Ltd	0.01	0.01
		Atul Rajasthan Dates Palm Ltd (Current year: ₹ 710)		-
	5	Redemption of preference shares	**1.00**	**2.00**
		Amal Ltd	1.00	2.00
	6	Dividend income	**0.36**	**14.46**
		Atul Bioscience Ltd	0.17	7.05
		Atul Biospace Ltd	-	1.16
		Atul Europe Ltd	-	5.21
		Atul USA Inc	0.19	1.04
	7	Investment in preference shares	**20.00**	**-**
		Atul Bioscience Ltd	20.00	-
	8	Interest income	**0.04**	**-**
		Atul Bioscience Ltd	0.04	-

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (C) Transactions with joint venture company			2018-19	2017-18
a)	**Sales and income**			
	1	Sale of goods	3.85	2.75
	2	Service charges received	3.29	2.90
	3	Lease rent received	0.54	0.54
b)	**Purchases and expenses**			
		Purchase of goods	0.24	0.30
c)	**Other transactions**			
	1	Dividends received from equity investment measured at cost	-	2.92
	2	Reimbursements received	0.66	0.56

All above transactions are with Rudolf Atul Chemicals Ltd.

(₹ cr)

Note 28.4 (D) Transactions with joint operation			2018-19	2017-18
a)	**Sales and income**			
	1	Service charges received	1.51	1.75
	2	Lease rent received	0.01	0.01
b)	**Other transactions**			
	1	Sale of capital work-in-progress	4.18	10.13
	2	Reimbursements received	1.54	1.18

All above transactions are with Anaven LLP.

(₹ cr)

Note 28.4 (E) Transactions with entity over which control exercised by Key Management Personnel	2018-19	2017-18
Expenses		
Reimbursements	-	
Samveg Agencies Pvt Ltd (Previous year: ₹ 22,550)	-	

(₹ cr)

Note 28.4 (F) Key Management Personnel compensation		2018-19	2017-18
Remuneration		**16.82**	**12.83**
1	Short-term employee benefits	14.68	11.05
2	Post-employment benefits[1]	0.84	0.76
3	Commission and other benefits to Non-executive Directors	1.30	1.02
4	Interest on deposits from Directors (Current year: ₹ 2,181 and Previous year: ₹ 6,912)		

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (G) Close family members of Key Management Personnel compensation		2018-19	2017-18
Remuneration		**0.50**	**0.35**
1	Astha S Lalbhai	0.28	0.23
2	Saumya S Lalbhai	0.08	-
3	Nishtha S Lalbhai	0.14	0.12

(₹ cr)

Note 28.4 (H) Transactions with entities over which Key Management Personnel or their close family members have significant influence			2018-19	2017-18
a)	**Sales and income**			
	Sale of goods		**0.21**	**0.18**
	Atul Kelavani Mandal		0.06	0.04
	Atul Rural Development Fund		0.01	0.01
	Atul Vidyalaya		0.14	0.13
	Urmi Stree Sanstha (Current year: ₹ 29,503)			-
b)	**Purchases and expenses**			
	Reimbursement of expenses			
	Urmi Stree Sanstha (Current year: ₹ 22,860 and Previous year: ₹ 27,401)			
c)	**Other transactions**			
	1	Expenditure on Corporate Social Responsibility initiatives	**5.90**	**7.20**
		Atul Foundation Trust	5.90	5.80
		Atul Rural Development Fund	-	1.40
	2	Reimbursements received	**0.05**	**0.05**
		Atul Foundation Trust (Current year: ₹ 386)		-
		Atul Kelavani Mandal (Previous year: ₹ 13,153)	0.01	
		Atul Rural Development Fund (Current year: ₹ 27,772)		-
		Atul Vidyalaya	0.04	0.05
		Urmi Stree Sanstha (Current year: ₹ 20,322)		-

(₹ cr)

Note 28.4 (I) Outstanding balances as at year end			As at March 31, 2019	As at March 31, 2018
a)	**With subsidiary companies**			
	1	Loans receivable	**6.63**	**9.63**
		Amal Ltd[1]	6.63	9.63
	2	Dividends receivable	**0.17**	**14.46**
		Atul Bioscience Ltd	0.17	7.05
		Atul Biospace Ltd	-	1.16
		Atul Europe Ltd	-	5.21
		Atul USA Inc	-	1.04

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (I) Outstanding balances as at year end			As at March 31, 2019	As at March 31, 2018
	3	Receivables	**160.10**	**135.10**
		Aaranyak Urmi Ltd	0.01	-
		Amal Ltd	0.17	0.08
		Atul Bioscience Ltd	10.62	6.15
		Atul Biospace Ltd	0.81	0.86
		Atul Brasil Quimicos Ltda	-	0.04
		Atul China Ltd	37.20	19.07
		Atul Crop Care Ltd	0.01	0.01
		Atul Middle East FZ-LLC	0.61	-
		Atul Elkay Polymers Ltd	0.07	0.07
		Atul Europe Ltd	53.20	44.79
		Atul Finserv Ltd	0.06	0.07
		Atul Infotech Pvt Ltd (Current year: ₹ 995)		-
		Atul USA Inc	57.34	63.96
		Lapox Polymers Ltd (Current year: ₹ 300 and Previous year: ₹ 21,819)		
	4	Payables	**18.08**	**14.15**
		Aaranyak Urmi Ltd (Current year: ₹ 18,337)		-
		Amal Ltd	11.12	8.10
		Atul Bioscience Ltd	0.30	0.04
		Atul Brasil Quimicos Ltda	0.02	-
		Atul China Ltd	0.49	0.38
		Atul Crop Care Ltd	1.35	1.43
		Atul Europe Ltd	2.57	2.05
		Atul Finserv Ltd	0.02	0.19
		Atul Infotech Pvt Ltd	0.26	0.24
		Atul USA Inc	0.53	0.32
		Lapox Polymers Ltd	1.42	1.40

[1]Interest free loan at amortised cost (Current year: ₹ 4.92 cr and Previous year: ₹ 7.07 cr) including equity component, pursuant to the order of Board for Industrial and Financial Reconstruction.

(₹ cr)

Note 28.4 (I) Outstanding balances as at year end			As at March 31, 2019	As at March 31, 2018
b)	**With joint venture company**			
	1	Dividends receivable	-	2.92
	2	Receivables	1.68	1.44
	3	Refundable security deposit	2.40	2.60
	4	Payables	0.09	0.10

All above balances are with Rudolf Atul Chemicals Ltd.

(₹ cr)

Note 28.4 (I) Outstanding balances as at year end		As at March 31, 2019	As at March 31, 2018
c)	**With joint operation**		
	Receivables	3.15	0.88

Note 28.4 Related party disclosures (continued)

(₹ cr)

Note 28.4 (I) Outstanding balances as at year end		As at March 31, 2019	As at March 31, 2018
d)	**With Key Management Personnel**		
	Payables	**-**	**0.01**
	Directors' deposit	-	0.01

(₹ cr)

Note 28.4 (e) Outstanding balances as at year end			As at March 31, 2019	As at March 31, 2018
e)	**With entities over which Key Management Personnel or their close family members have significant influence**			
	1	Receivables	**0.03**	**0.07**
		Atul Kelavani Mandal (Current period: ₹ 45,804)		0.05
		Atul Rural Development Fund (Current year: ₹ 41,276 and Previous year: ₹ 25,564)		
		Atul Vidyalaya	0.03	0.02
		Urmi Stree Sanstha (Current year: ₹ 21,914 and Previous year: ₹ 7,199)		
	2	Payables	**0.02**	
		Atul Rural Development Fund (Current year: ₹ 15,000 and Previous year: ₹ 12,500)		
		Atul Vidyalaya	0.02	-

Note 28.4 (J) Terms and conditions

1 Sales to and purchases from related parties were made on normal commercial terms and conditions and at prevailing market prices or where market price is not available, at cost plus margin.

2 Transactions relating to dividends were on the same terms and conditions that applied to other shareholders. Subscriptions for new equity shares were on preferential basis.

3 All outstanding balances are unsecured and are repayable in cash and cash equivalent.

Note 28.5 Current and deferred tax

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

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

(₹ cr)

	Particulars	2018-19	2017-18
i)	**Current tax**		
	Current tax on profit for the year	235.88	103.04
	Adjustments for current tax of prior periods	0.87	(0.83)
	Total current tax expense	**236.75**	**102.21**
ii)	**Deferred tax**		
	(Decrease) | Increase in deferred tax liabilities	(2.43)	1.59
	Decrease | (Increase) in deferred tax assets	(11.06)	23.04
	Total deferred tax expense | (benefit)	**(13.49)**	**24.63**
	Income tax expense	**223.26**	**126.84**

Note 28.5 Current and deferred tax (continued)

b) Income tax expense recognised in the Statement of other comprehensive income:

(₹ cr)

	Particulars	2018-19	2017-18
i)	**Current tax**		
	Remeasurement gain | (loss) on defined benefit plans	(0.13)	0.95
	Total current tax expense	**(0.13)**	**0.95**
ii)	**Deferred tax**		
	Fair value equity investment	11.00	-
	Effective portion of gain | (loss) on cash flow hedges	0.43	0.02
	Total deferred tax expense | (benefit)	**11.43**	**0.02**
	Income tax expense	**11.30**	**0.97**

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

		Particulars	2018-19	2017-18
a)	Statutory income tax rate		34.94%	34.61%
b)	Differences due to:			
	i)	Non-deductible expenses	0.27%	0.35%
	ii)	Exempt income	(0.40%)	(1.46%)
	iii)	Income tax incentives	(0.61%)	(0.84%)
	iv)	Others	0.05%	(0.75%)
	Effective income tax rate		**34.25%**	**31.91%**

The applicable statutory income tax rate for the year ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the corporate statutory income tax rate to 34.94% is consequent to changes made in the Finance Act, 2018.

d) Current tax assets

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	0.67	-
Add: Taxes paid in advance, net of provision during the year	3.07	0.67
Closing balance	**3.74**	**0.67**

e) Current tax liabilities

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	8.01	1.99
Add: Current tax payable for the year	236.75	102.21
Less: Taxes paid	(244.58)	(96.19)
Closing balance	**0.18**	**8.01**

Note 28.5 Current and deferred tax (continued)

f) Deferred tax liabilities (net)

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

(₹ cr)

Particulars	As at March 31, 2019	(Charged) | Credited to		As at March 31, 2018	(Charged) | Credited to		As at March 31, 2017
		profit or loss	OCI | equity		profit or loss	OCI | equity	
Property, plant and equipment	137.58	(2.75)	-	140.33	1.59	-	138.74
Unrealised gain on mutual fund	0.32	0.32	-	-	-	-	-
Fair value equity investments (net)	11.00	-	11.00	-	-	-	-
Total deferred tax liabilities	**148.90**	**(2.43)**	**11.00**	**140.33**	**1.59**	**-**	**138.74**
Provision for leave encashment	(8.83)	(0.25)	-	(8.58)	0.46	-	(9.04)
Provision for doubtful debts	(2.66)	(1.75)	-	(0.91)	0.19	-	(1.10)
Regulatory and other charges	(8.79)	(8.79)	-	-	-	-	-
Investment properties	(6.48)	(0.27)	-	(6.21)	(2.26)	-	(3.95)
Unrealised MTM losses on derivatives	-	-	-	-	1.75	-	(1.75)
Cash flow hedges	0.43	-	0.41	0.02	-	0.27	(0.25)
MAT credit entitlement	-	-	-	-	22.90	-	(22.90)
Total deferred tax assets	**(26.33)**	**(11.06)**	**0.41**	**(15.68)**	**23.04**	**0.27**	**(38.99)**
Net deferred tax liabilities | (assets)	**122.57**	**(13.49)**	**11.41**	**124.65**	**24.63**	**0.27**	**99.75**

Note 28.6 Employee benefit obligations

Funded schemes

a) Defined benefit plans:

Gratuity

The Company operates a gratuity plan through the 'Atul Ltd Employees Gratuity Fund'. Every employee is entitled to a benefit equivalent to 15 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.

Note 28.6 Employee benefit obligations (continued)

(₹ cr)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2017	**47.17**	**(47.17)**	**-**
Current service cost	2.74	-	2.74
Interest expense | (income)	3.41	(3.41)	-
Total amount recognised in profit and loss	**6.15**	**(3.41)**	**2.74**
Remeasurement			
Return on plan assets, excluding amount included in interest expense	-	0.06	0.06
(Gain) from change in financial assumptions	(1.17)	-	(1.17)
Experience (gain)	(1.62)	-	(1.62)
Total amount recognised in other comprehensive income	**(2.79)**	**0.06**	**(2.73)**
Employer contributions	-	(0.01)	(0.01)
Benefit payments	(5.11)	5.11	-
As at March 31, 2018	**45.42**	**(45.42)**	**-**
Current service cost	2.54	-	2.54
Interest expense | (income)	3.49	(3.49)	-
Total amount recognised in profit and loss	**6.03**	**(3.49)**	**2.54**
Remeasurement			
Return on plan assets, excluding amount included in interest expense	-	0.07	0.07
Loss from change in financial assumptions	1.13	-	1.13
Experience (gain)	(0.83)	-	(0.83)
Total amount recognised in other comprehensive income	**0.30**	**0.07**	**0.37**
Employer contributions	-	(2.91)	(2.91)
Benefit payments	(5.24)	5.24	-
As at March 31, 2019	**46.51**	**(46.51)**	**-**

The net liability disclosed above relates to following funded and unfunded plans:

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	46.51	45.42
Fair value of plan assets	(46.51)	(45.42)
Deficit of gratuity plan	**-**	**-**

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.22%	7.68%
Attrition rate	11.87%	9.70%
Rate of return on plan assets	7.22%	7.68%
Salary escalation rate	8.04%	8.27% and 6.00%

Note 28.6 Employee benefit obligations (continued)

Sensitivity analysis

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

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount rate	1.00%	1.00%	(3.10%)	(3.39%)	3.37%	3.70%
Attrition rate	1.00%	1.00%	(0.20%)	(0.09%)	0.21%	0.10%
Rate of return on plan assets	1.00%	1.00%	(3.10%)	(3.39%)	3.37%	3.70%
Salary escalation rate	1.00%	1.00%	3.31%	3.67%	(3.11%)	(3.43%)

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

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

Major categories of plan assets are as follows:

(₹ cr)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Unquoted	in %	Unquoted	in %
Government of India assets	1.18	2.54%	1.18	2.60%
Debt instruments				
Corporate bonds	1.05	2.26%	0.99	2.18%
Investment funds				
Insurance fund	41.41	89.03%	43.07	94.83%
Others	2.71	5.83%	0.02	0.04%
Special deposit scheme	0.16	0.34%	0.16	0.35%
	46.51	**100.00%**	**45.42**	**100%**

Risk exposure

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

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields, if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Company has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Company intends to maintain the above investment mix in the continuing years.

Note 28.6 Employee benefit obligations (continued)

ii) Changes in bond yields

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

The Company actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Company has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment will not have a material impact on the overall level of assets.

A large portion of assets consists insurance funds, although the Company also invests in corporate bonds and special deposit schemes. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 2.57 cr.

The weighted average duration of the defined benefit obligation is six years (2017-18: six years). The expected maturity analysis of gratuity is as follows:

(₹ cr)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Defined benefit obligation (gratuity)					
As at March 31, 2019	12.29	6.34	17.79	25.55	61.97
As at March 31, 2018	9.65	6.25	19.51	44.45	79.86

Provident fund:

The Company has established an employee provident fund trust for employees based at Ankleshwar location. It is administered by the Company to which both the employee and the employer make monthly contribution equal to 12% of basic salary of employee respectively. The contribution of the Company to the provident fund for all employees is charged to the Statement of Profit and Loss. In case of any liability arising due to shortfall between the return from its investments and the administered interest rate, the same is required to be provided for by the Company. The actuary has provided an actuarial valuation and indicated that the interest shortfall liability is ₹ Nil. The Company has contributed the following amounts towards provident fund during the respective period ended:

(₹ cr)

Expenses recognised for the year ended March 31, 2019 (included in Note 25)		As at March 31, 2019	As at March 31, 2018
i)	Defined benefit obligation	10.29	9.48
ii)	Funds	10.25	9.81
iii)	Net assets | (liabilities)	(0.04)	0.33
iv)	Charge to the Statement of Profit and Loss during the year	0.28	0.20

The assumptions used in determining the present value of obligation:

Particulars		2018-19	2017-18
i)	Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
ii)	Withdrawal rate	5% p.a. for all age groups	5% p.a. for all age groups
iii)	Rate of discount	7.22%	7.68%
iv)	Expected rate of interest	8.65%	8.55%
v)	Retirement age	60 years	60 years
vi)	Guaranteed rate of interest	8.65%	8.55%

Note 28.6 Employee benefit obligations (continued)

b) Defined contribution plans:

Provident and other funds:

Amount of ₹ 14.27 cr (March 31, 2018: ₹ 9.60 cr) (net of ₹ 0.21 cr from the Pradhan Mantri Rojgar Protsahan Yojana) is recognised as expense and included in Note 25 'Contribution to provident and other funds'.

Compensated absences:

Amount of ₹ 3.24 cr (March 31, 2018: ₹ 0.71 cr) is recognised as expense and included in Note 25 'Salaries, wages and bonus'.

Note 28.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments	-	526.12	-	-	452.32	-
Preference shares	-	-	5.24	-	-	5.72
Government securities	-	-	0.01	-	-	0.01
Share application money	-	-	-	-	0.01	-
Mutual funds	197.64	-	-	-	-	-
Trade receivables	-	-	762.18	-	-	717.68
Loans	-	-	4.92	-	-	7.07
Security deposits for utilities and premises	-	-	1.76	-	-	1.10
Dividends receivable	-	-	0.18	-	-	17.38
Derivative financial assets designated as hedges (net)	-	1.22	-	-	0.05	-
Finance lease receivable	-	-	1.33	-	-	1.25
Cash and bank balances	-	-	28.62	-	-	22.17
Other receivables	-	-	15.18	-	-	14.64
Total financial assets	**197.64**	**527.34**	**819.42**	**-**	**452.38**	**787.02**
Financial liabilities						
Borrowings	-	-	-	-	-	0.01
Trade payables	-	-	418.10	-	-	470.46
Security deposits	-	-	22.39	-	-	19.80
Employee benefits payable	-	-	47.70	-	-	24.28
Creditors for capital goods	-	-	16.45	-	-	18.81
Other liabilities (includes discount payables)	-	-	6.55	-	-	14.86
Total financial liabilities	**-**	**-**	**511.19**	**-**	**-**	**548.22**

Note 28.7 Fair value measurements (continued)

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the 3 levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

i)	Financial assets and liabilities measured at fair value as at March 31, 2019	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments at FVOCI:					
	Quoted equity shares	5.2	525.32	-	-	525.32
	Unquoted equity shares[1]	5.2	-	-	0.80	0.80
	Mutual funds at FVPL	5.3	-	197.64	-	197.64
	Derivatives designated as hedges:					
	Currency options	7	-	1.22	-	1.22
	Total financial assets		**525.32**	**198.86**	**0.80**	**724.98**

(₹ cr)

ii)	Assets and liabilities for which fair values are disclosed at March 31, 2019	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Investments:					
	Preference shares	5.1	-	-	5.24	5.24
	Government securities	5.2	0.01	-	-	0.01
	Loans	6	-	-	4.92	4.92
	Security deposits for utilities and premises	7	-	-	1.76	1.76
	Finance lease receivable	7	-	-	1.33	1.33
	Total financial assets		**0.01**	**-**	**13.25**	**13.26**
	Financial liabilities					
	Security deposits	16	-	-	22.39	22.39
	Total financial liabilities		**-**	**-**	**22.39**	**22.39**
	Investment properties	3	**-**	**-**	**110.00**	**110.00**

(₹ cr)

iii)	Financial assets and liabilities measured at fair value as at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial Investments at FVOCI:					
	Quoted equity shares	5.2	451.53	-	-	451.53
	Unquoted equity shares[1]	5.2	-	-	0.79	0.79
	Share application money	5.2	0.01	-	-	0.01
	Derivatives designated as hedges:					
	Currency options	7	-	0.05	-	0.05
	Total financial assets		**451.54**	**0.05**	**0.79**	**452.38**

Note 28.7 Fair value measurements (continued)

(₹ cr)

iv)	Assets and liabilities for which fair values are disclosed at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Investments:					
	Preference shares	5.1	-	-	5.72	5.72
	Government securities	5.2	0.01	-	-	0.01
	Loans	6	-	-	7.07	7.07
	Security deposits for utilities and premises	7	-	-	1.10	1.10
	Finance lease receivable	7	-	-	1.25	1.25
	Total financial assets		**0.01**	**-**	**15.14**	**15.15**
	Financial liabilities					
	Borrowings	15	-	-	0.01	0.01
	Security deposits	16	-	-	19.80	19.80
	Total financial liabilities		**-**	**-**	**19.81**	**19.81**
	Investment properties	3	**-**	**-**	**141.00**	**141.00**

[1]Includes investments in Bharuch Enviro Infrastructure Ltd (70,000 equity shares), in Narmada Clean Tech Ltd (7,15,272 equity shares) and in OPGS Power Gujarat Pvt Ltd (5,03,000 equity shares) which are for operation purposes and the Company expects its refund on exit. The Company estimates that the fair value of these investments are not materially different as compared to its cost.

There were no transfers between any levels during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded on the Stock Exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in levels 1 and 2.

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

b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments

ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date

iii) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model

iv) the fair value of the remaining financial instruments is determined using discounted cash flow analysis

All of the resulting fair value estimates are included in levels 1 and 2.

c) Valuation processes

The Finance department of the Company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

Note 28.7 Fair value measurements (continued)

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

(₹ cr)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments:				
Preference shares	5.24	5.24	5.72	5.72
Government securities	0.01	0.01	0.01	0.01
Loans	4.92	4.92	7.07	7.07
Security deposits for utilities and premises	1.76	1.76	1.10	1.10
Finance lease receivable	1.33	1.33	1.25	1.25
Total financial assets	**13.26**	**13.26**	**15.15**	**15.15**
Financial liabilities				
Borrowings	-	-	0.01	0.01
Security deposits	22.39	22.39	19.80	19.80
Total financial liabilities	**22.39**	**22.39**	**19.81**	**19.81**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values for loans and investments in preference shares were calculated based on cash flows discounted using a current lending rate at the time of inception.

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

Note 28.8 Financial risk management

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

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

ii) Risk classification: Focused on understanding the various impacts of risks and the level of influence on its root causes. This involves identifying various processes generating the root causes and clear understanding of risk interrelationships.

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

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

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

Note 28.8 Financial risk management (continued)

a) Management of liquidity risk

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

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

(₹ cr)

As at March 31, 2019	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Trade payables	18	418.10	418.10	-	418.10
Security and other deposits	15	22.39	-	22.39	22.39
Employee benefits payable	15	47.70	47.70	-	47.70
Creditors for capital goods	15	16.45	16.45	-	16.45
Other liabilities	15	6.55	3.94	2.61	6.55
As at March 31, 2018	**Note**	**Carrying amount**	**Less than 12 months**	**More than 12 months**	**Total**
Borrowings	17	0.01	0.01	-	0.01
Trade payables	18	470.46	470.46	-	470.46
Security and other deposits	15	19.80	-	19.80	19.80
Employee benefits payable	15	24.28	24.28	-	24.28
Creditors for capital goods	15	18.81	18.81	-	18.81
Other liabilities	15	14.86	12.09	2.77	14.86

Note 28.8 Financial risk management (continued)

b) Management of market risk

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

i) price risk

ii) foreign exchange risk

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

	Potential impact of risk	Management policy	Sensitivity to risk
i)	**Price risk**		
	The Company is mainly exposed to the price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, equity securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified as fair value through other comprehensive income as at March 31, 2019 is ₹ 525.32 cr (March 31, 2018: ₹ 451.53 cr). The fair value of mutual funds classified at fair value through profit and loss as at March 31, 2019 is ₹ 197.65 cr (March 31, 2018: Nil).	In order to manage its price risk arising from investments in equity instruments, the Company maintains its portfolio in accordance with the framework set by the Risk Management Policy. Any new investment or divestment must be approved by the Board, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Company has calculated the impact as follows. For equity instruments, a 9.14% increase in Nifty 50 prices may have led to approximately an additional ₹ 25.53 cr gain in other comprehensive income (2017-18: ₹ 40.83 cr). A 9.14% decrease in Nifty 50 prices may have led to an equal but opposite effect. For mutual funds, a 1% increase in prices may have led to approximately an additional ₹ 1.98 cr gain in the Statement of Profit and Loss (2017-18: ₹ Nil). A 1% decrease in prices may have led to an equal but opposite effect.
ii)	**Foreign exchange risk**		
	The Company has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Company. The risk also includes highly probable foreign currency cash flows. The objective of the cash flow hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.	The Company has exposure arising out of export, import, and other transactions other than functional risks. The Company hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Risk Management Policy of the Company.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to the Financial Statements, the Company has calculated the impact as follows: For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date may have led to an increase in additional ₹ 5.93 cr gain in other comprehensive income (2017-18: gain of ₹ 5.48 cr). A 2% decrease may have led to an increase in additional ₹ 5.17 cr loss in other comprehensive income (2017-18: loss of ₹ 5.01 cr).

Note 28.8 Financial risk management (continued)

Foreign currency risk exposure:

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

Particulars	As at March 31, 2019					
	US$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Trade receivables	58.40	403.96	3.39	26.34	0.49	4.43
Less:						
Hedged through derivatives[1]						
Currency range options	12.45	86.12	0.13	0.97	-	-
Net exposure to foreign currency risk (assets)	**45.95**	**317.84**	**3.26**	**25.37**	**0.49**	**4.43**
Financial liabilities						
Trade payables	13.67	94.56	0.20	1.54	0.03	0.28
Net exposure to foreign currency risk (liabilities)	**13.67**	**94.56**	**0.20**	**1.54**	**0.03**	**0.28**

[1]Includes hedges for highly probable transactions up to next 12 months

Particulars	As at March 31, 2018					
	US$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Trade receivables	54.80	356.43	2.75	22.17	0.03	0.27
Dividends receivable	0.16	1.04	-	-	0.57	5.21
Less:						
Hedged through derivatives[1]						
Foreign exchange forward contracts	0.92	6.01	-	-	-	-
Net exposure to foreign currency risk (assets)	**54.04**	**351.46**	**2.75**	**22.17**	**0.60**	**5.48**
Financial liabilities						
Trade payables	16.09	104.64	0.14	1.09	0.03	0.24
Less:						
Hedged through derivatives[1]						
Currency range option	3.72	24.22	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**12.37**	**80.42**	**0.14**	**1.09**	**0.03**	**0.24**

[1]Includes hedges for highly probable transactions up to next 12 months

c) Management of credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. Significant portion of trade receivable are secured by insurance policies or EPCG schemes. All trade receivables are reviewed and assessed for default on a quarterly basis.

Historical experience of collecting receivables of the Company is supported by low level of past default and hence the credit risk is perceived to be low.

Note 28.8 Financial risk management (continued)

Reconciliation of loss allowance provision – trade receivables

(₹ cr)

Particulars	Loss allowance on trade receivables
Loss allowance as on March 31, 2017	**3.16**
Changes in loss allowance	(0.56)
Loss allowance as on March 31, 2018	**2.60**
Changes in loss allowance	5.01
Loss allowance as on March 31, 2019	**7.61**

Other financial assets

The Company maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, preference shares and loans to subsidiary companies. The Company has a diversified portfolio of investments with various number of counterparties which have secure credit ratings, hence the risk is reduced. Individual risk limits are set for each counterparty based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Company.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2019 (₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instru-ment	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US$								
Foreign exchange risk								
Currency range options	87.09	-	1.22	-	1-12	69.64- 75.84	1.22	(1.22)

As at March 31, 2018 (₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instru-ment	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US$								
Foreign exchange risk								
Foreign exchange forward contracts	6.01	-	0.07	-	1-12	66.18	0.07	(0.07)
Currency range options	-	24.22	-	(0.02)	1-12	64.90-68.90	(0.02)	0.02

Note 28.8 Financial risk management (continued)

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2019 (₹ cr)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	1.22	-	0.05	Trade receivable and payable

As at March 31, 2018 (₹ cr)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	0.05	-	(0.73)	Revenue and inventories

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
Derivative instruments	**As at March 31, 2019**	**As at March 31, 2018**
Balance at the beginning of the year	**0.03**	**(0.48)**
Gain | (Loss) recognised in other comprehensive income during the year	1.22	0.05
Amount reclassified to revenue during the year	(0.03)	0.48
Tax impact on above	(0.43)	(0.02)
Balance at the end of the year	**0.79**	**0.03**

Note 28.9 Capital management

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

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

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

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Total debt	-	0.01
Total equity	2,649.56	2,197.54
Debt-Equity ratio	-	0.00

Note 28.10 Segment information

In accordance with Ind AS 108, 'Operating Segments', segment information has been given in the Consolidated Financial Statements and therefore no separate disclosure on segment information is given in the Standalone Financial Statements.

Note 28.11 Earnings per share

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

Particulars		2018-19	2017-18
Profit for the year attributable to the equity shareholders	₹ cr	428.64	270.41
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 EPS	₹	144.51	91.17

Note 28.12 Leases

a) Operating 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.

b) Finance lease

i) The Company has given a building on finance lease for a term of 30 years.

Future minimum lease payments receivable under finance leases, together with the present value of the net minimum lease payments are as under:

(₹ cr)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Minimum lease payments receivable	Present value of MLP receivable	Minimum lease payments receivable	Present value of MLP receivable
Not later than 1 year	0.20	0.20	-	-
Later than 1 year and not later than 5 years	0.40	0.33	0.40	0.35
Later than 5 years	1.80	0.80	2.00	0.90
Total minimum lease payments receivable	**2.40**	**1.33**	**2.40**	**1.25**
Less: unearned finance income	1.07	-	1.15	-
Present value of minimum lease payments receivable	**1.33**	**1.33**	**1.25**	**1.25**
Less: allowance for uncollectible lease payments	-	-	-	-
	1.33	**1.33**	**1.25**	**1.25**

ii) The Company has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the current rental. The Company has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land and has thus accounted for the same as finance lease.

Note 28.13 Loans

Disclosures pursuant to the Regulation 34(3) read with para A of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 186(4) of the Companies Act, 2013.

(₹ cr)

	Particulars	Purpose	Amount outstanding as at		Maximum balance during the year	
			March 31, 2019	March 31, 2018	2018-19	2017-18
i)	Subsidiary companies:					
	Atul Bioscience Ltd	Seed funding support as promoters	-	-	-	4.30
	Amal Ltd *	Interest free loan, pursuant to Board for Industrial and Financial Reconstruction order	4.92	7.07	7.07	7.89

* at amortised cost

a) Loans given to employees as per the policy of the Company are not considered.

b) The loanees did not hold any shares in the share capital of the Company.

Note 28.14 Disclosure requirement under MSMED Act, 2006

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

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	7.24	4.06
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	0.01	0.02
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	1.11	1.14
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	0.02	0.02
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	-	-
Further interest remaining due and payable for earlier years	-	-

Note 28.15 Expenditure on Corporate Social Responsibility initiatives

a) Gross amount required to be spent by the Company during the year is ₹ 7.90 cr

b) Amount spent during the year on:

(₹ cr)

	Particulars	Paid	Payable	Total
i)	Construction | Acquisition of any asset	-	-	-
ii)	On purposes other than (i) above	7.90	-	7.90

Note 28.16 Offsetting financial assets and liabilities

The below Note presents the recognised assets that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at March 31, 2019 and March 31, 2018.

a) Collateral against borrowings

The Company has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit. Refer to Note 17 for further information on assets hypothecated | mortgaged as security.

b) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Company does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Balance Sheet.

Note 28.17 Changes in accounting policies

The Company adopted Ind AS 115 by using the modified retrospective transition method effective April 01, 2018. Under this method, the Company recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 01, 2018. Comparative prior period has not been adjusted.

Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). However, the Company elected to apply the standard to all contracts as at April 01, 2018.

There is no impact on the retained earnings as at April 01, 2018.

The following table presents the amounts by which each financial statement line item is affected in the current year ended March 31, 2019 by the application of Ind AS 115 as compared with the Ind AS 18 revenue recognition requirements. Line items that were affected by the changes have been included.

As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained as below:

(₹ cr)

Balance Sheet (extract)		Note	As at March 31, 2019 without adoption of Ind AS 115	Increase | (decrease)	As at March 31, 2019 as reported
Current assets					
	Trade receivables	i	768.30	(6.12)	762.18
	Total current assets		**768.30**	**(6.12)**	**762.18**
	Total assets		**768.30**	**(6.12)**	**762.18**
Current liabilities					
a)	Trade payables				
	Creditors other than micro enterprises and small enterprises	ii	417.04	(6.12)	410.91
b)	Other financial liabilities	iii	72.01	(3.92)	68.09
c)	Contract liabilities	iii	-	8.15	8.15
d)	Other current liabilities	iii	10.54	(4.23)	6.31
	Total current liabilities		**499.58**	**(6.12)**	**493.46**
	Total liabilities		**499.58**	**(6.12)**	**493.46**

Note 28.17 Changes in accounting policies (continued)

Statement of profit and loss (extract)	Note	2018-19 without adoption of Ind AS 115	Increase | (decrease)	2018-19 as reported
INCOME				
Revenue from operations	i	3,921.93	(6.12)	3,915.81
Total income		**3,921.93**	**(6.12)**	**3,915.81**
EXPENSES				
Other expenses	ii	909.45	(6.12)	903.33
Total expenses		**909.45**	**(6.12)**	**903.33**
		3,012.48	**-**	**3,012.48**

Note:

i) Revenue deferment of ₹ 6.12 cr representing unsatisfied performance obligation for export contracts in current year.

ii) Expenses deferment of ₹ 6.12 cr representing unsatisfied performance obligation for export contracts in current year.

iii) Presentation of assets and liabilities related to contracts with customers:

Liabilities relating to expected discounts of ₹ 3.92 cr were previously presented as other current financial liabilities are now included as contract liabilities.

Advance from customers of ₹ 4.23 cr were previously presented as other current liabilities are now included as contract liabilities.

Note 28.18 Events after the reporting period

The proposed dividend on equity shares at ₹ 15 per share is recommended by the Board which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Note 28.19 Rounding off

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

Note 28.20 Authorisation for issue of the Financial Statements

The Financial Statements were authorised for issue by the Board on April 26, 2019.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 26, 2019

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

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

For and on behalf of the Board of Directors

R A Shah
B S Mehta
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 26, 2019

Independent Auditor's Report

To the Members of Atul Ltd

Report on the Consolidated Financial Statements

Opinion

01. We have audited the accompanying Consolidated Financial Statements of Atul Ltd (the Parent) and its subsidiary companies, (the Parent and its subsidiary companies together referred to as the Group) which includes the share of profit of the Group in a joint venture company, which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Cash Flows and the Consolidated Statement of changes in equity, for the year then ended, a summary of significant accounting policies and other explanatory information and which includes a joint operation of the Group accounted on proportionate basis.

02. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other Auditors on separate Financial Statements of the subsidiary companies referred to in the Other matters section below, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 (the Act) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended (Ind AS) and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019 and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for opinion

03. We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's responsibility for the audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Act and the Rules made thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other Auditors in terms of their reports referred to in the Other matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

Key audit matters

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

Key audit matters	Auditor's responses
Contingent liabilities and provisions Certain claims received from the government authorities and customers are under dispute. These involve high degree of judgement to determine the possible outcomes and estimates relating to the timing and the amount of outflows of resources embodying economic benefits.	The audit procedures included but were not limited to: - Obtaining a detailed understanding of processes and controls of the Management with respect to claims or disputes. - Evaluation of the design of the controls relating to compilation of the claims; assessment of probability of outcome, estimates of the timing and the amount of the outflows, and appropriate reporting by the Management and testing implementation and operating effectiveness of the key controls. - Performing following procedures on samples selected: • Understanding the matters by reading the correspondences | communications, minutes of the Audit Committees and | or the Board meetings and discussions with the appropriate Management personnel. • Making corroborative inquiries with appropriate level of the Management personnel including status update, expectation of outcomes with the basis and the future course of action as contemplated and perusing legal opinions, if any, obtained by the Management. • Obtaining direct confirmation from the legal attorneys of the Group and considering their opinions | probability assessment of the outcomes. • Evaluating the evidences supporting the judgement of the Management about possible outcomes and the reasonableness of the estimates. We involved our internal experts for technical guidance and evaluation of assessments of the Management, as appropriate. - Evaluating appropriateness of adequate disclosures in accordance with the applicable accounting standards.
Adoption of Ind AS 115, Revenue from contracts with customers (new revenue accounting standard) The products are sold to the customers under different types of contractual terms. The application of the new revenue accounting standard involved assessing if distinct performance obligations exist under each type of the contracts and ensuring appropriate and adequate disclosures in the Consolidated Financial Statements.	The audit procedures included but were not limited to: - Assessment of the processes of the Management for adoption of the new accounting standard. - Selecting a sample from each type of the contracts with the customers and testing the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price. Carrying out a combination of procedures involving enquiry and observation, re-performance and inspection of evidence in respect of operation of these controls. - Testing the relevant controls including access of Information Technology (IT) systems and change management controls relevant for appropriate measurement and presentation of revenue and related account balances. - Performing following procedures on the samples selected: • Reading, analysing and identifying the distinct performance obligations in these contracts • Comparing these performance obligations with that identified and recorded by the Management • Considering the terms of the contracts to determine the transaction price and its allocation to the identified performance obligations • Testing sample of revenues with the performance obligations specified in the underlying contracts • Carrying analytical procedures for reasonableness of revenues disclosed by segments - Evaluating the appropriateness of adequate disclosures in accordance with the standard.

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

a) The Board of Directors of the Parent is responsible for the other information. The other information comprises the information included in the Letter to shareholders, Operational highlights, Financial charts, Directors' report and its annexure, Management Discussion and Analysis, Corporate Governance Report, Business Responsibility Report, Dividend Distribution Policy and Performance trend but does not include the Standalone Financial Statements, Consolidated Financial Statements and our Auditor's Reports thereon.

b) Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

c) In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information, compare with the Financial Statements of the subsidiary companies audited by the other Auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other Auditors and consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiary companies, is traced from their Financial Statements audited by other Auditors.

d) If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's responsibility for the Consolidated Financial Statements

06. The Board of Directors of the Parent is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, Consolidated Cash Flows and Consolidated changes in equity of the Group including its joint venture company in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its joint venture company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint venture 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 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 have been used for the purpose of preparation of the Consolidated Financial Statements by the Directors of the Parent, as aforesaid.

07. In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group and its joint venture company are responsible for assessing the ability of the Group and of its joint venture company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate or to cease operations, or has no realistic alternative but to do so.

08. The respective Board of Directors of the companies included in the Group and of its joint venture company are also responsible for overseeing the financial reporting process of the Group and of its joint venture company.

Auditor's responsibility for the audit of the Consolidated Financial Statements

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

as a whole are free from material misstatement, whether due to fraud or error and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

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

    a) Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    b) Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.

    c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

    d) Conclude on the appropriateness of use of the going concern basis of accounting by the Management and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint venture company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Group and its joint venture company to cease to continue as a going concern.

    e) Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

    f) Obtain sufficient appropriate audit evidence regarding the financial information of the business activities within the Group and its joint venture company to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of such entities or business activities included in the Consolidated Financial Statements of which we are the Independent Auditors. For the other entities or business activities included in the Consolidated Financial Statements, which have been audited by other Auditors, such other Auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Consolidated Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated Financial Statements.

We communicate with those charged with governance of the Parent and such other entities included in the

Consolidated Financial Statements of which we are the Independent Auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

11. We did not audit the Financial Statements | financial information of 27 subsidiary companies, whose Financial Statements | financial information reflect total assets of ₹ 201.36 cr as at March 31, 2019, total revenues of ₹ 736.77 cr and net cash outflows amounting to ₹ 0.86 cr for the year ended on that date, as considered in the Consolidated Financial Statements. These Financial Statements | financial information have been audited by other Auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies and our report in terms of Sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary companies is based solely on the reports of such other Auditors. Certain of these subsidiary companies are located outside India whose Financial Statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other Auditors under generally accepted auditing standards applicable in their respective countries. Management of the Company has converted the Financial Statements of such subsidiary companies located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Management of the Company. Our opinion in so far as it relates to the balances and affairs of such subsidiary companies located outside India is based on the report of other Auditors and the conversion adjustments prepared by the Management of the Company and audited by us.

12. We did not audit the financial information of four subsidiary companies, whose financial information reflects total assets of ₹ 2.31 cr as at March 31, 2019, total revenue of ₹ 2.52 cr and net cash inflows amounting to ₹ 0.83 cr for the year ended on that date, as considered in the Consolidated Financial Statements. These financial information are unaudited and have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiary companies, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

13. Our opinion on the Consolidated Financial Statements above and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other Auditors and the Financial Statements | financial information certified by the Management.

Report on other legal and regulatory requirements

14. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other Auditors on separate Financial Statements of subsidiary companies incorporated in India, referred in the Other matters paragraph above, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other Auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Cash Flows and Consolidated Statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the Directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent and the reports of the Statutory Auditors of its subsidiary companies and joint venture company incorporated in India, none of the Directors of the Group companies and joint venture company incorporated in India is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in Annexure A, which is based on the Auditor's reports of the Parent company, subsidiary companies and a joint venture company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness internal financial controls over financial reporting of those companies, for the reasons state therein.

Reporting on the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls under Section 143(3)(i) of the Act is not applicable to the join operation of the Group, such joint operation being a Limited Liability Partnership.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its Directors during the year is in accordance with the provisions of Section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint venture company.

   ii. The Group and its joint venture company did not have any material foreseeable losses on long-term contracts including derivative contracts.

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent, its subsidiary companies and joint venture company incorporated in India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm registration number: 117366W | W-100018

Samir R. Shah
Partner
Membership number: 101708

Mumbai,
April 26, 2019

Annexure A to the Independent Auditor's Report

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

Report on the internal financial controls over financial reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the Act)

01. In conjunction with our audit of the Consolidated Financial Statements of Atul Ltd (hereinafter referred to as the Parent) as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of the Parent, its subsidiary companies and a joint venture company which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

02. The respective Board of Directors of the Parent, its subsidiary companies and joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the Guidance Note) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective policies of the Company, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's responsibility

03. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies and its joint venture company, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

04. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the judgement of the Auditor, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

05. We believe that the audit evidence we have obtained and the audit evidence obtained by the other Auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies and its joint venture company, which are companies incorporated in India.

Meaning of internal financial controls over financial reporting

06. The internal financial controls over financial reporting of the Company is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with 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 Management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of assets of the Company that could have a material effect on the Financial Statements.

Inherent limitations of internal financial controls over financial reporting

07. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

08. In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other Auditors referred to in the Other matters paragraph below, Parent, its subsidiary companies and joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

Other matters

09. Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to, 30 subsidiary companies and a joint operation, which are companies incorporated in India, is based solely on the corresponding reports of the Auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For Deloitte Haskins & Sells LLP
Chartered Accountants
Firm registration number: 117366W | W-100018

Samir R. Shah
Partner
Membership number: 101708

Mumbai,
April 26, 2019

Consolidated Balance Sheet as at March 31, 2019

(₹ cr)

			Particulars	Note	As at March 31, 2019	As at March 31, 2018
A	ASSETS					
	1		**Non-current assets**			
		a)	Property, plant and equipment	2	1,049.15	1,000.30
		b)	Capital work-in-progress	2	172.27	96.20
		c)	Investment properties	3	3.22	3.22
		d)	Goodwill	4	32.31	23.75
		e)	Other intangible assets	4	19.61	0.01
		f)	Biological assets other than Bearer plant	5	13.15	11.50
		g)	Investments accounted for using the equity method	6.1	15.74	10.72
		h)	Financial assets			
			i) Investments	6.2	527.46	453.42
			ii) Loans	7	0.22	0.20
			iii) Other financial assets	8	1.53	1.52
		i)	Income tax assets (net)	29.5	8.42	2.58
		j)	Deferred tax assets	29.5	0.52	5.01
		k)	Other non-current assets	9	38.10	49.67
			Total non-current assets		**1,881.70**	**1,658.10**
	2		**Current assets**			
		a)	Inventories	10	511.82	411.43
		b)	Biological assets	5	9.03	11.20
		c)	Financial assets			
			i) Current investment	6.3	208.81	5.70
			ii) Trade receivables	11	698.47	723.40
			iii) Cash and cash equivalents	12	37.59	42.67
			iv) Bank balances other than cash and cash equivalents above	13	16.91	6.72
			v) Loans	7	0.15	-
			vi) Other financial assets	8	21.09	20.90
		d)	Other current assets	9	158.40	133.47
			Total current assets		**1,662.27**	**1,355.49**
			Total assets		**3,543.97**	**3,013.59**
B	EQUITY AND LIABILITIES					
			Equity			
		a)	Equity share capital	14	29.68	29.68
		b)	Other equity	15	2,676.03	2,214.24
			Equity attributable to owners of the Company		**2,705.71**	**2,243.92**
			Non-controlling interests		23.80	20.01
			Total equity		**2,729.51**	**2,263.93**
			Liabilities			
	1		**Non-current liabilities**			
		a)	Financial liabilities			
			i) Borrowings	16	43.14	-
			ii) Other financial liabilities	17	28.03	25.23
		b)	Provisions	18	19.13	17.84
		c)	Deferred tax liabilities (net)	29.5	139.48	129.55
		d)	Other non-current liabilities	19	7.45	8.30
			Total non-current liabilities		**237.23**	**180.92**
	2		**Current liabilities**			
		a)	Financial liabilities			
			i) Borrowings	16	9.32	15.91
			ii) Trade payables			
			Total outstanding dues of			
			a) Micro enterprises and small enterprises	20	7.74	3.93
			b) Creditors other than micro enterprises and small enterprises	20	371.89	455.09
			iii) Other financial liabilities	17	138.61	57.66
		b)	Contract liabilities	21	8.46	-
		c)	Other current liabilities	19	10.67	17.15
		d)	Provisions	18	29.87	10.87
		e)	Current tax liabilities (net)	29.5	0.67	8.13
			Total current liabilities		**577.23**	**568.74**
			Total liabilities		**814.46**	**749.66**
			Total equity and liabilities		**3,543.97**	**3,013.59**

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 26, 2019

For and on behalf of the Board of Directors

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
B S Mehta
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 26, 2019

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

(₹ cr)

Particulars	Note	2018-19	2017-18
INCOME			
Revenue from operations	22	4,037.81	3,337.92
Other income	23	34.86	25.91
Total income		**4,072.67**	**3,363.83**
EXPENSES			
Cost of materials consumed	24	2,200.35	1,734.88
Purchases of stock-in-trade		12.82	15.84
Changes in inventories of finished goods, work-in-progress and stock-in-trade	25	(107.09)	52.75
Excise duty		-	42.15
Employee benefit expenses	26	259.84	213.38
Finance costs	27	7.41	12.74
Depreciation and amortisation expense	2, 4	118.91	110.38
Other expenses	28	905.11	773.73
Total expenses		**3,397.35**	**2,955.85**
Profit before share of net profit of investments accounted for using equity method and tax		**675.32**	**407.98**
Share of net profit of joint venture company accounted for using the equity method		5.02	4.23
Profit before tax		**680.34**	**412.21**
Tax expense			
Current tax	29.5	243.62	108.16
Deferred tax	29.5	0.70	22.81
Total tax expense		**244.32**	**130.97**
Profit for the year		**436.02**	**281.24**
Other comprehensive income			
a) Items that will not be reclassified to profit | loss			
i) Fair value of equity instruments through other comprehensive income (FVOCI)		73.83	37.28
ii) Remeasurement gain | (loss) on defined benefit plans		(0.17)	2.72
iii) Income tax related to items above		(10.92)	(0.95)
iv) Share of other comprehensive income of joint venture company accounted for using the equity method (net of tax)			(0.01)
b) Items that will be reclassified to profit | loss			
i) Effective portion of gain | (loss) on cash flow hedges		1.22	0.05
ii) Income tax related to item no (i) above		(0.43)	(0.02)
iii) Exchange differences on translation of foreign operations		(3.11)	5.06
Other comprehensive income, net of tax		**60.42**	**44.13**
Total comprehensive Income for the year		**496.44**	**325.37**
Profit is attributable to:			
Owners of the Company		432.23	276.48
Non-controlling interests		3.79	4.76
		436.02	**281.24**
Other comprehensive income is attributable to:			
Owners of the Company		60.42	44.13
Non-controlling interests		-	-
Total comprehensive income is attributable to:		**60.42**	**44.13**
Owners of the Company		492.65	320.61
Non-controlling interests		3.79	4.76
		496.44	**325.37**
Earnings per equity share attributable to owners of the Company			
Basic and diluted earnings ₹ per equity share of ₹ 10 each	29.11	147.00	94.82

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 26, 2019

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

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

For and on behalf of the Board of Directors

R A Shah
B S Mehta
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 26, 2019

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

A Equity share capital

(₹ cr)

Particulars	Note	Amount
As at March 31, 2017		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2018		**29.68**
Changes in equity share capital during the year		-
As at March 31, 2019	14	**29.68**

B Other equity

(₹ cr)

Particulars	Attributable to owners of the Company							Non-controlling interest	Total
	Reserves and surplus			Items of other comprehensive income			Total other equity		
	Securities premium	General reserve	Retained earnings	FVOCI equity instruments	Effective portion of cash flow hedges	Foreign currency translation reserve			
As at March 31, 2017	**34.66**	**97.36**	**1,426.79**	**364.13**	**(0.48)**	**13.80**	**1,936.26**	**15.25**	**1,951.51**
Profit for the year	-	-	276.48	-	-	-	276.48	4.76	281.24
Other comprehensive income, net of tax	-	-	1.76	37.28	0.03	5.06	44.13	-	44.13
Total comprehensive income for the year	**-**	**-**	**278.24**	**37.28**	**0.03**	**5.06**	**320.61**	**4.76**	**325.37**
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	1.59	(1.59)	-	-	-	-	-
Hedging gain | (loss) reclassified to the Statement of Profit and Loss	-	-	-	-	0.48	-	0.48		0.48
Transactions with owners in their capacity as owners:									
Dividend on equity shares, including dividend distribution tax	-	-	(38.51)	-	-	-	(38.51)		(38.51)
Transactions with non-controlling interests	-	-	(4.60)	-	-	-	(4.60)	-	(4.60)
As at March 31, 2018	**34.66**	**97.36**	**1,663.51**	**399.82**	**0.03**	**18.86**	**2,214.24**	**20.01**	**2,234.25**
Profit for the year	-		432.23	-	-	-	432.23	3.79	436.02
Other comprehensive income, net of tax	-	-	(0.09)	62.83	0.79	(3.11)	60.42	-	60.42
Total comprehensive income for the year	**-**	**-**	**432.14**	**62.83**	**0.79**	**(3.11)**	**492.65**	**3.79**	**496.44**
Transfer to general reserve	-	0.05	(0.05)	-	-	-	-	-	-
Transfer to retained earnings on disposal of FVOCI equity instruments	-	-	0.02	(0.02)	-	-	-	-	-
Hedging gain | (loss) reclassified to the Statement of Profit and Loss	-	-	-	-	(0.03)	-	(0.03)	-	(0.03)
Transactions with owners in their capacity as owners:									
Dividend on equity shares, including dividend distribution tax	-	-	(39.54)	-	-	-	(39.54)	-	(39.54)
Transactions with non-controlling interests	-	-	8.71	-	-	-	8.71	-	8.71
As at March 31, 2019	**34.66**	**97.41**	**2,064.79**	**462.63**	**0.79**	**15.75**	**2,676.03**	**23.80**	**2,699.83**

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 26, 2019

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

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

For and on behalf of the Board of Directors

R A Shah
B S Mehta
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 26, 2019

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

(₹ cr)

Particulars		2018-19	2017-18
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	680.34	412.21
	Adjustments for:		
	Add:		
	Depreciation and amortisation expense	118.91	110.38
	Finance costs	7.41	12.74
	Loss on assets sold or discarded	1.39	0.12
	Unrealised exchange rate difference (net)	8.32	(6.16)
	Effect of exchange rates on translation of operating cash flows	(2.98)	4.01
	Allowance for doubtful debts	5.01	-
		138.06	121.09
		818.40	533.30
	Less:		
	Dividend income	6.03	8.07
	Interest income from financial assets measured at amortised cost	0.38	0.29
	Changes in fair value of biological assets	2.50	(0.28)
	Gain on disposal of current investments measured at FVPL	3.96	-
	Gain on disposal of property, plant and equipment	0.09	0.43
	Share of profit on joint venture company	5.02	4.23
		17.98	12.74
	Operating profit before change in operating assets and liabilities	800.42	520.56
	Adjustments for:		
	(Increase) | Decrease in inventories	(100.40)	7.83
	(Increase) | Decrease in trade receivables	11.59	(198.29)
	(Increase) | Decrease in other financial assets	(3.44)	(6.57)
	(Increase) | Decrease in other assets	(13.12)	9.19
	Increase | (Decrease) in trade payables	(79.37)	121.46
	Increase | (Decrease) in other financial liabilities	19.14	7.74
	Increase | (Decrease) in contract liabilities	8.46	-
	Increase | (Decrease) in other current liabilities	(7.50)	0.59
	Increase | (Decrease) in current provisions	20.65	0.93
	Increase | (Decrease) in non-current provisions	1.29	(2.31)
		(142.70)	(59.43)
	Cash generated from operations	657.72	461.13
	Less:		
	Income tax paid (net of refund)	254.14	105.42
	Net cash flow from operating activities A	**403.58**	**355.71**

Consolidated Statement of Cash Flows

for the year ended March 31, 2019 (continued)

(₹ cr)

	Particulars		2018-19	2017-18
B	CASH FLOW FROM INVESTING ACTIVITIES			
	Payments towards property, plant and equipment (including capital advance)		(208.35)	(143.04)
	Payments to acquire equity investment measured at cost		0.01	(0.01)
	Proceeds from sale of equity investment measured at FVOCI		3.77	(0.11)
	Proceeds from sale of equity investment measured at cost		-	3.51
	(Disbursements) of loans		(0.17)	(0.20)
	Redemption of | (Investment in) bank deposits (net)		(9.50)	(1.73)
	Purchase of current investments measured at FVPL (net)		(203.12)	(2.78)
	Interest received on financial assets measured at amortised cost		0.38	0.29
	Dividend received		9.53	13.94
	Net cash used in investing activities	**B**	**(407.54)**	**(130.13)**
C	CASH FLOW FROM FINANCING ACTIVITIES			
	Disbursements | (Repayments) of term loans | non-current borrowings		45.35	(23.10)
	Repayments of working capital loans | current borrowings		(6.50)	(128.68)
	Payments of unclaimed dividend		(0.19)	(0.23)
	Transaction with non-controlling interests		8.71	(4.60)
	Interest paid		(7.42)	(12.91)
	Dividend on equity shares (including dividend distribution tax)		(41.04)	(37.88)
	Net cash used in financing activities	**C**	**1.09**	**(207.40)**
	Net increase | (decrease) in cash and cash equivalents	**A+B+C**	(4.96)	18.18
	Cash and cash equivalents at the beginning of the year		42.67	23.44
	Net effect of exchange gain | (loss) on cash and cash equivalents		(0.12)	1.05
	Cash and cash equivalents at the end of the year		37.59	42.67

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

ii) Cash flows from operating activities net off ₹ 8.31 cr (March 31, 2018: ₹ 7.63 cr) being expenditure towards Corporate Social Responsibility initiatives.

iii) Refer Note 16 (d) for a reconciliation of changes in liabilities arising from financing activities.

The accompanying Notes 1-29 form an integral part of the Consolidated Financial Statements

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

Samir R. Shah
Partner

Mumbai
April 26, 2019

T R Gopi Kannan
Whole-time Director and CFO

L P Patni
Company Secretary

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

For and on behalf of the Board of Directors

R A Shah
B S Mehta
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 26, 2019

Notes to the Consolidated Financial Statements

Background

Atul Ltd (the Company) is a public company limited by shares, incorporated and domiciled in India. Its registered office is located at Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India and the principal places of manufacturing are located at Atul and Ankleshwar, Gujarat, India.

The Company and its subsidiary companies are referred to as the Group here under. The Group is serving the needs of varied industries such as Adhesives, Agriculture, Animal Feed, Automobile, Composites, Construction, Cosmetic, Defence, Dyestuff, Electrical and Electronics, Flavour, Food, Footwear, Fragrance, Glass, Home Care, Horticulture, Hospitality, Paint and Coatings, Paper, Personal Care, Pharmaceutical, Plastic, Polymer, Rubber, Soap and Detergent, Sport and Leisure, Textile, Tyre and Wind Energy across the world.

Note 1 Significant accounting policies

This Note provides a list of the significant accounting policies adopted by the Group in preparation of these Consolidated Financial Statements. These policies have been consistently applied to all the years presented unless otherwise stated. The Consolidated Financial Statements are for the Group consisting of the Company and its subsidiary companies.

a) Basis of preparation:

i) Compliance with Ind AS:

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

ii) Historical cost convention:

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

a) Certain financial assets and liabilities (including derivative instruments): measured at fair value

b) Defined benefit plans: plan assets measured at fair value

c) Biological assets: measured at fair value less cost to sell

b) Basis of consolidation:

i) Subsidiary companies

Subsidiary companies are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiary companies are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the Financial Statements of the parent and its subsidiary companies line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiary companies have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiary companies are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of changes in equity and Consolidated Balance Sheet respectively.

ii) Associate companies

Associate companies are all entities over which the Group has significant influence, but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associate companies are accounted for using the equity method of accounting {see (iv) below}.

iii) Joint arrangements

Under Ind AS 111 'Joint Arrangements', investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has interest in a joint venture company and a joint operation.

Joint venture company

Interest in joint venture company is accounted for using the equity method {see (iv) below}.

Joint operation

The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operation and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the Consolidated Financial Statement under the appropriate headings. Details of the joint operation are set out in Note 29.14

iv) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise share of the Group in post-acquisition profit | loss and other comprehensive income of the entity. Dividends received or receivable from associate company and joint venture company are recognised as a reduction in the carrying amount of the investment.

When the Group share of losses in an equity accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associate company and joint venture company are eliminated to the extent of the Group interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in (l) below.

v) Changes in ownership interest

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interest in the subsidiary companies. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purpose of subsequently accounting for the retained interest as an associate company, joint venture company or financial asset. In addition, any amount previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the Statement of Profit and Loss.

If the ownership interest in a joint venture company or an associate company is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the Consolidated Statement of Profit and Loss where appropriate.

c) Foreign currency transactions:

i) Functional and presentation currency:

Items included in the Financial Statements of each entities of the Group are measured using the currency of the primary economic environment in which the Company operates ('functional currency'). The Consolidated Financial Statements are presented in Indian currency (₹), which is also the functional and presentation currency of the Company.

ii) Transactions and balances:

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the Consolidtaed Statement of Profit and Loss except that they are deferred in equity if they relate to qualifying cash flow hedges.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the Consolidated Statement of Profit and Loss, within finance costs. All other foreign exchange gains and losses are presented in the Consolidated Statement of Profit and Loss on a net basis within other income | (expense).

Non-monetary items that are measured at fair value that are denominated in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain | (loss).

iii) Group companies:

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

a) assets and liabilities are translated at the closing rate at the date of that Balance Sheet

b) income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative)

c) all resulting exchange differences are recognised in other comprehensive income

When a foreign operation is disposed, the associated exchange differences are reclassified to the Consolidated Statement of Profit and Loss, as part of the gain | (loss) on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

d) Revenue recognition:

i) Revenue from contracts with customers:

The Group adopted Ind AS 115, 'Revenue from Contracts with Customers' using the modified retrospective transition method effective April 01, 2018. Refer Note 29.18 for details of impact on the Financial Statements on account of the transition.

The Group manufactures and sells chemicals in domestic and international market, spread across two segments namely Life Sciences Chemicals and Performance and Other Chemicals.

Revenue is recognised when control of goods is transferred to a customer in accordance with the terms of the contract. The control of the goods is transferred upon delivery to the customers either at factory gate of the Group or specific location of the customer or when the goods are handed over to the freight carrier, as per the terms of the contract. A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

Revenue from services including those embedded in contract for sale of goods namely freight and insurance services mainly in case of export sales, is recognised upon completion of services.

Revenue is measured based on the consideration to which the Group expects to be entitled as per contract with a customer. The consideration is determined based on the price specified in the contract, net of the estimated variable consideration. Accumulated experience is used to estimate and provide for the variable consideration, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. Contracts with customers are for short-term, at an agreed price basis having contracted credit period ranging up to 180 days. The contracts do not grant any rights of return to the customer. Returns of goods are accepted by the Group only on an exception basis. Revenue excludes any taxes or duties collected on behalf of the government which are levied on sales such as goods and services tax.

ii) Other revenue:

Eligible export incentives are recognised in the year in which the conditions precedent are met and there is no significant uncertainty about the collectability.

Interest income from financial assets is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividends are recognised in the Consolidated Statement of Profit and Loss only when the right to receive payment is established; it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

Lease rental income is recognised on accrual basis.

e) Income tax:

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

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

Deferred income tax is provided in full, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Consolidated Financial Statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit | (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiary companies, branches and associate company and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the Consolidated Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

f) Government grants:

i) Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

ii) Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to the Consolidated Statement of Profit and Loss in proportion to depreciation over the expected lives of the related assets and presented within other income.

iii) Government grants relating to income are deferred and recognised in the Consolidated Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

g) Leases:

As a lessee:

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Consolidated Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

As a lessor:

Income from operating leases where the Group is a lessor is recognised as income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the Consolidated Balance Sheet based on their nature.

Under combined lease agreements, land and building are assessed individually. Lease rental attributable to the operating lease are charged to the Consolidated Statement of Profit and Loss as lease income whereas lease income attributable to finance lease is recognised as finance lease receivable and recognised on the basis of effective interest rate.

h) Business combination:

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

i) fair values of the assets transferred,

ii) liabilities incurred to the former owners of the acquired business,

iii) equity interest issued by the Group,

iv) fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- sum of consideration transferred
- amount of any non-controlling interest in the acquired entity
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognised directly in equity as Capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss or other comprehensive income, as appropriate.

i) Property, plant and equipment:

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at acquisition cost net of accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Acquisition cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the carrying amount of asset or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Gains or losses arising on retirement or disposal of assets are recognised in the Consolidated Statement of Profit and Loss.

Fruits bearing plants qualify as bearer plants under Ind AS 16. Expenditure incurred on cultivation of plantations up to the date they become capable of bearing fruit are accumulated under Bearer plant under development (Immature) and then capitalised as a Bearer plant (Mature) to be depreciated over their estimated useful life.

The plantation destroyed due to calamity, disease or any other reasons whether capitalised as Bearer plant (Mature) or being carried under Bearer plant under development (Immature) are charged off to Consolidated Statement of Profit and Loss.

Spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment if they are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes and are expected to be used during more than one period.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

Depreciation methods, estimated useful lives and residual value:

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives or, in the case of certain leased furniture, fittings and equipment, the shorter lease term of useful lives are as follows:

Asset category	Estimated useful life
Buildings	30 to 60 years
Roads	5 years
Plant and equipment[1]	6 to 20 years
Office equipment and furniture	5 to 10 years
Vehicles[1]	6 to 10 years
Bearer plant[1]	40 years

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

The property, plant and equipment including land acquired under finance leases are depreciated over the useful life of the asset or over the shorter of the useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount of the asset is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Consolidated Statement of Profit and Loss within other income.

j) Goodwill:

Goodwill represents the cost of the acquired businesses | subsidiary in excess of the fair value of identifiable net assets acquired. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill of the entity sold. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal Management purposes.

k) Other intangible assets:

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in the Consolidated Statement of Profit and Loss when the asset is derecognised.

Amortisation methods, estimated useful lives and residual value:

Intangible assets with finite lives are amortised over the useful economic life on straight line basis and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed annually and adjusted prospectively, if appropriate.

The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset. Estimated useful lives of the intangible assets are as follows:

Asset category	Estimated useful life
Computer software	three years
Non-compete fees	five years

l) Investment properties:

Property that is held for long-term rental yields or for capital appreciation or both, and that is not in use by the Group, is classified as investment property. Land held for a currently undetermined future use is also classified as an investment property. Investment property is measured at its acquisition cost, including related transaction costs and where applicable, borrowing costs.

m) Impairment of assets:

The carrying amount 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 carrying amount of the asset does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

n) Cash and cash equivalents:

Cash and cash equivalents include cash in hand, demand deposits with bank and other short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

o) Trade receivables:

Trade receivables are recognised when the right to consideration becomes unconditional. These assets are held at amortised cost, using the effective interest rate (EIR) method where applicable, less provision for impairment based on expected credit loss.

p) Trade and other payables:

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

q) Inventories:

Inventories (other than harvested product of biological assets) are stated at cost or net realisable value whichever is lower. Cost is arrived at on moving weighted average basis.

Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to the present location and condition. Cost includes the reclassification from equity of any gains or losses on qualifying cash flow hedges relating to purchases of raw material but excludes borrowing costs.

Due allowances are made for slow moving and obsolete inventories based on estimates made by the Group.

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

The harvested product of biological assets of the Group is initially measured at fair value less costs to sell on the point of harvest and subsequently measured at the lower of such value or net realisable value.

r) Investments and other financial assets:

Classification

The Group classifies its financial assets in the following measurement categories:

i) Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss)

ii) Those measured at amortised cost

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investments at fair value through other comprehensive income.

Debt instruments:

Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument. Financial assets are recognised at its fair value (other than financial asset at fair value through profit or loss). Transaction costs that are directly attributable to the acquisition of the financial assets are added to the fair value measured on initial recognition. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Consolidated Statement of Profit and Loss.

Subsequent measurement

Subsequent measurement of debt instruments depends on the business model of the Group for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

Measured at amortised cost: Financial assets that are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows that are solely payments of principal and interest, are subsequently measured at amortised cost using the Effective Interest Rate ('EIR') method less impairment, if any, the amortisation of EIR and loss arising from impairment, if any is recognised in the Consolidated Statement of Profit and Loss.

Measured at fair value through other comprehensive income (FVOCI): Financial assets that are held within a business model whose objective is achieved by both, selling financial assets and collecting contractual cash flows that are solely payments of principal and interest, are subsequently measured at fair value through other comprehensive income. Fair value movements are recognised in the OCI. Interest income measured using the EIR method and impairment losses, if any are recognised in the Consolidated Statement of Profit and Loss. On derecognition, cumulative gain or loss previously recognised in OCI is reclassified from the equity to other income in the Consolidated Statement of Profit and Loss.

Measured at fair value through profit or loss (FVPL): A financial asset not classified as either amortised cost or FVOCI, is classified as FVPL. Such financial assets are measured at fair value with all changes in fair value, including interest income and dividend income if any, recognised as other income in the Consolidated Statement of Profit and Loss.

Equity instruments:

The Group subsequently measures all investments in equity instruments at fair value. The Management of the Group has elected to present fair value gains and losses on its investment equity instruments in other comprehensive income, and there is no subsequent reclassification of these fair value gains and losses to the Consolidated Statement of Profit and Loss. Dividends from such investments continue to be recognised in the Statement of Profit and Loss as other income when the right to receive payment is established.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets:

The Group assesses on a forward looking basis the expected credit losses associated with its financial assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivable only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of such receivables.

Derecognition:

A financial asset is derecognised only when the Group:

i) has transferred the rights to receive cash flows from the financial asset or,

ii) the rights to cash flow from the asset expire or,

ii) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

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

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

s) Financial liabilities:

i) Classification as debt or equity:

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

ii) Initial recognition and measurement:

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

iii) Subsequent measurement:

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

iv) Derecognition:

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

t) Offsetting financial instruments:

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

u) Derivatives and hedging activities:

The Group holds derivative financial instruments such as foreign exchange forward, interest rate swaps, currency swaps and currency options to mitigate the risk of changes in exchange rates on foreign currency exposures or interest rate. The counterparty for these contracts is generally a bank.

i) Financial assets or financial liabilities, at fair value through profit or loss

This category has derivative financial assets or liabilities which are not designated as hedges.

Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorised as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognised initially at fair value and attributable transaction costs are recognised in net profit in the Consolidated Statement of Profit and Loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through profit or loss and the resulting exchange gains or losses are included in other income. Assets | liabilities in this category are presented as current assets | current liabilities if they are either held for trading or are expected to be realised within 12 months after the Balance Sheet date.

ii) Cash flow hedge

The Group designates certain foreign exchange forward and options contracts as cash flows hedges to mitigate the risk of foreign exchange exposure on firm commitment and highly probable forecast transactions.

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and accumulated in the cash flows hedging reserve. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the net profit in the Consolidated Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognised in cash flows hedging reserve till the period the hedge was effective remains in cash flows hedging reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognised in the cash flows hedging reserve is transferred to the Statement of Profit and Loss upon the occurrence of the related forecasted transaction.

If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flows hedging reserve is reclassified to net profit in the Consolidated Statement of Profit and Loss.

v) Borrowings:

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

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in the Consolidated Statement of Profit and Loss as other income | (expense).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

w) Borrowing costs:

Borrowing costs that are directly attributable to the acquisition, constrution or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

x) Biological assets:

The biological assets of the Group comprise oil palms, date palms and tissue culture.

The Group classifies the tissue cultures as Mature and Immature plants. Mature biological assets are those which are available for sale in next 12 months or that have attained harvestable specifications (for consumable biological assets) or are able to sustain regular harvests (for bearer biological assets). The plants which are not mature are considered as immature plants.

Mature and immature tissue culture plants, which are ready for sale in less than 12 months from the reporting date are classified as current assets under a separate head of biological assets other than bearer plants and others under non-current assets.

The Bearer plant are recognised and measured as per Ind AS 16 (refer Note 5). The oil palm Fresh Fruit Bunches (FFB) growing on the trees are accounted for as biological assets other than Bearer plant until the point of harvest. Harvested oil palm FFB are transferred to inventory at fair value less costs to sell when harvested. Changes in fair value of oil palm FFB on trees are recognised in the Consolidated Statement of Profit and Loss. Farming cost like labour and other costs are recognised in the Consolidated Statement of Profit and Loss.

Biological assets are measured at fair value less cost to sell. Costs to sell include the incremental selling costs, including auctioneers' fees, commission paid to brokers and dealers and estimated costs of transport to the market but excludes finance costs and income tax.

Tissue culture raised matured plants are measured on initial recognition and at the end of each reporting period at its fair value less costs to sell. The gain or loss arising on such biological assets are included in the Consolidated Statement of Profit and Loss. Immature tissue culture raised plants are measured at cost less accumulated impairment loss, if the quoted market price are not available for the immature plants at different stages and the fair value measurements are clearly unreliable.

y) Provisions and contingent liabilities:

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. These are reviewed at each year end and reflect the best current estimate. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

z) Employee benefits:

Defined benefit plan:

Gratuity:

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

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

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

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

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Provident fund:

Provident fund for certain eligible employees is managed by the Group through the 'Atul Products Ltd - Ankleshwar Division Employees Provident Fund Trust' in line with 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 Group, 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.

Defined contribution plan:

Contributions to defined contribution schemes such as contribution to provident fund, superannuation fund, employees' state insurance corporation, national pension scheme and labours welfare fund are charged as an expense to the Consolidated Statement of Profit and Loss based on the amount of contribution required to be made as and when services are rendered by the employees. The above benefits are classified as defined contribution schemes as the Group has no further defined obligations beyond the monthly contributions.

Short-term employee benefits:

All employee benefits payable within 12 months of service such as salaries, wages, bonus, ex-gratia, medical benefits etc. are recognised in the year in which the employees render the related service and are presented as current employee benefit obligations. Termination benefits are recognised as an expense as and when incurred.

Short-term employee benefits are provided at undiscounted amount during the accounting period based on service rendered by employees.

Other long-term employee benefits:

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

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

aa) Research and Development expenditure:

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

ab) Earnings per share:

Basic earnings per share (EPS) is calculated by dividing the profit attributable to owners of Atul Ltd by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year. For the purpose of calculating diluted EPS, the net profit or loss for the period attributable to equity shareholders and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

For the purpose of calculating diluted earnings per share, the net profit for the period attributable to owners of Atul Ltd and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Critical estimates and judgements

Preparation of the Financial Statements require the use of accounting estimates which, by definition, will seldom equal the actual results. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the Financial Statements.

The areas involving critical estimates or judgements are:

i) Estimation of useful life of tangible assets: Note 1 (i)

ii) Estimation of defined benefit obligation: Note 29.6

iii) Estimated goodwill impairment: Note 4

iv) Consolidation decisions and classification of joint arrangements: Note 29.14

v) Estimation of claims | liabilities: Note 18 and Note 29.1

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

Note 2 Property, plant and equipment

(₹ cr)

Particulars	Land - freehold[1]	Land - leasehold	Buildings[1,2]	Plant and equipment	Vehicles	Office equipment and furniture	Roads	Bearer plant	Total	Capital work-in-progress[3]
Gross carrying amount										
As at March 31, 2017	32.02	13.87	176.25	898.12	8.24	14.48	10.79	6.10	1,159.87	58.99
Additions	7.08	-	18.77	79.94	1.75	2.66	1.60	-	111.80	333.71
Other adjustments[4]	-	-	-	0.05	-	-	-	-	0.05	-
Disposal, transfer and adjustments	-	-		(0.90)	(2.75)	-	-	-	(3.65)	(296.50)
As at March 31, 2018	**39.10**	**13.87**	**195.02**	**977.21**	**7.24**	**17.14**	**12.39**	**6.10**	**1,268.07**	**96.20**
Additions	2.76	2.13	17.22	92.47	3.77	2.75	0.99	-	122.09	196.10
Acquisition (refer Note 28.16)	-	25.79	10.23	10.73	-	0.18	0.10	-	47.03	
Other adjustments[4]	-	-	-	-	-	-	-	-	-	(120.03)
Disposal, transfer and adjustments	-	-	(1.15)	(20.17)	(2.28)	(0.08)	-	(0.02)	(23.70)	
As at March 31, 2019	**41.86**	**41.79**	**221.32**	**1,060.24**	**8.73**	**19.99**	**13.48**	**6.08**	**1,413.49**	**172.27**
Depreciation | Amortisation										
Up to March 31, 2017	**-**	**0.18**	**13.81**	**137.33**	**2.86**	**4.86**	**1.66**	**0.13**	**160.83**	**-**
For the year	-	0.09	8.04	96.14	1.36	2.30	2.29	0.15	110.37	-
Disposal and adjustments	-		-	(0.94)	(2.49)	-	-	-	(3.43)	-
Up to March 31, 2018	**-**	**0.27**	**21.85**	**232.53**	**1.73**	**7.16**	**3.95**	**0.28**	**267.77**	**-**
For the year	-	0.23	8.67	102.99	1.69	2.07	2.40	0.15	118.20	-
Disposal and adjustments	-	-	(0.99)	(18.82)	(1.74)	(0.07)	-	(0.01)	(21.63)	-
Up to March 31, 2019	**-**	**0.50**	**29.53**	**316.70**	**1.68**	**9.16**	**6.35**	**0.42**	**364.34**	**-**
Net carrying amount										
As at March 31, 2018	39.10	13.60	173.17	744.68	5.51	9.98	8.44	5.82	1,000.30	96.20
As at March 31, 2019	**41.86**	**41.29**	**191.79**	**743.54**	**7.05**	**10.83**	**7.13**	**5.66**	**1,049.15**	**172.27**

Notes:

[1]Pursuant to the order passed by The Honourable High Court of Gujarat, dated November 17, 2008 and April 17, 2009 in case of water charges, the Group has created first charge over its certain land and buildings in favour of the Government of Gujarat and paid security deposit ₹ 2 cr (March 31, 2018: ₹ 2 cr).

[2]Includes premises on ownership basis ₹ 1.10 cr (March 31, 2018: ₹ 1.10 cr) and cost of fully paid share in co-operative society ₹ 2,000 (March 31, 2018: ₹ 2,000).

[3]Capital work-in-progress mainly comprises addition | expansion projects in progress.

[4]Exchange rate difference capitalised during current year nil (Previous year: ₹ 0.05 cr).

Refer Note 16 for information on property, plant and equipment hypothecated | mortgaged as security by the Group.

Refer Note 29.2 for disclosure of contractual commitment for acquisition of property, plant and equipment.

(₹ cr)

Note 3 Investment properties	As at March 31, 2019	As at March 31, 2018
Land - freehold		
Gross carrying amount	3.22	3.22
Net carrying amount	**3.22**	**3.22**

a) Amount recognised in the Consolidated Statement of Profit and Loss for investment properties

The Group has classified parcels of freehold land held for a currently undeterminable future use as investment properties. There are no amounts pertaining to these investment properties recognised in the Consolidated Statement of Profit and Loss, since the Group does not receive any rental income, incur any depreciation or other operating expenses.

b) The Group does not have any contractual obligations to purchase, construct or develop for maintenance or enhancements of investment property.

c) Fair value:

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Investment properties	110.00	141.00
	110.00	**141.00**

Estimation of fair value

The Group obtains valuations from independent valuer for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the valuer considers information from a variety of sources including current prices in an active market for investment properties of different nature or recent prices of similar investment properties in less active markets, adjusted to reflect those differences.

All fair value estimates for investment properties are included in level 3.

(₹ cr)

Note 4 Intangible assets	Computer software	Non-compete fees	Total	Goodwill
Gross carrying amount				
As at March 31, 2017	0.22	-	0.22	23.75
As at March 31, 2018	**0.22**	**-**	**0.22**	**23.75**
Addition	0.18	20.00	20.18	-
Acquisition (refer Note 28.16)	0.14	-	0.14	8.56
As at March 31, 2019	**0.54**	**20.00**	**20.54**	**32.31**
Amortisation				
Up to March 31, 2017	0.20	-	0.20	-
Amortisation charged for the year	0.01	-	0.01	-
Up to March 31, 2018	**0.21**	**-**	**0.21**	**-**
Amortisation charged for the year	0.05	0.67	0.72	-
Up to March 31, 2019	**0.26**	**0.67**	**0.93**	**-**
Net carrying amount				
As at March 31, 2018	0.01	-	0.01	23.75
As at March 31, 2019	**0.28**	**19.33**	**19.61**	**32.31**

Significant estimate - Impairment of goodwill

For the purpose of impairment testing, goodwill is allocated to a cash generating unit, representing the lowest level within the Group at which goodwill is monitored for internal management purposes and which is not higher than the operating segment of the Group.

The goodwill of ₹ 23.75 cr pertains to the control acquisition of Amal Ltd. The recoverable amount of the cash generating unit has been determined based on the higher of fair value less costs of disposal and its value in use. The fair value less costs of disposal has been determined based on closing quoted share price of Amal Ltd on an active market as on March 31, 2019.

During the year a subsidiary company acquired Active Pharma ingredients business of Polydrug Laboratories Pvt Ltd the excess of consideration paid over the net assets acquired was ₹ 8.56 cr and recognised as goodwill.

The Group has carried out impairment assessment as at March 31, 2019 for its all intangible assets. The Management believes that any reasonably possible change in the key assumptions may not cause the carrying amount to exceed the recoverable amount of the cash generating units. Accordingly, there was no impairment recorded during the year.

Note 5 Biological assets

a) Biological assets of the Group consists:

  i) Immature tissue culture raised date palms that are classified as non-current biological assets. The Group has a production cycle of about four-five years

  ii) Mature tissue culture raised date palms that are classified as current biological assets.

b) Reconciliation of changes to the carrying value of biological assets between the beginning and the end of the current year are as follows:

(₹ cr)

Particulars	Tissue culture raised date palms			
	March 31, 2019		March 31, 2018	
	Mature	Immature	Mature	Immature
Opening balance	**11.20**	**11.50**	**11.77**	**9.32**
Increase due to production	0.17	11.70	0.18	9.86
Change due to biological transformation	10.05	(10.05)	7.68	(7.68)
Decrease due to sale	(13.42)	-	(9.04)	-
Decrease due to write-off	(0.13)	-	(0.05)	-
Change in fair value due to price changes	1.16	-	0.66	-
Closing balance	**9.03**	**13.15**	**11.20**	**11.50**
Current assets	9.03	-	11.20	-
Non-current assets*	-	13.15	-	11.50
Biological assets shown in Balance Sheet	**9.03**	**13.15**	**11.20**	**11.50**

*Non-current biological asset is expected to take more than 12 months from reporting date to become ready for dispatch.

As at March 31, 2019 the Group had 14,380 mature plants (March 31, 2018: 7,934) and 3,42,716 immature plants (March 31, 2018: 4,14,436).

During current year the Group has sold 1,52,898 plants (March 31, 2018: 1,67,343).

(₹ cr)

Note 6.1 Investments accounted for using the equity method	Place of business	% of ownership interest	As at March 31, 2019	As at March 31, 2018
Investment in equity instruments (fully paid-up)				
Unquoted investment in joint venture company:				
Rudolf Atul Chemicals Ltd	India	50	10.72	10.00
Add: Group share of profit for the year			5.02	0.72
Total equity accounted investments			**15.74**	**10.72**

(₹ cr)

Note 6.2 Other investments		Face value	As at March 31, 2019		As at March 31, 2018	
			Number of shares	Amount	Number of shares	Amount
a)	**Investment in equity instruments (fully paid-up)**					
	Equity instruments measured at FVOCI					
	Quoted					
	Aditya Birla Capital Ltd	10	1,000	0.01	-	-
	Arvind Fashions Ltd[1]	4	8,25,494	86.11	-	-
	Arvind Ltd	10	41,27,471	37.54	41,27,471	158.06
	Arvind Smart Spaces Ltd	10	4,12,747	5.40	4,12,747	7.58
	Aurobindo Pharma Ltd	1	500	0.04	500	0.03
	Balmer Lawrie & Co Ltd	10	2,000	0.04	1,500	0.04
	Banswara Syntex Ltd	10	4,500	0.03	3,000	0.03
	BASF India Ltd	10	2,61,396	38.70	2,61,396	50.28
	Camlin Fine Sciences Ltd	10	1,000	0.01	1,500	0.02
	Cummins India Ltd	2	191	0.01	190	0.01
	DIC India Ltd	10	250	0.01	250	0.01
	ICICI Bank Ltd	2	1,09,026	4.36	1,09,026	3.03
	IDFC First Bank Ltd	10	15,729	0.09	6,000	0.03
	Jain Irrigation Systems Ltd	2	4,000	0.02	4,000	0.04
	Jain Irrigation Systems Ltd - DVR[2]	2	200		200	
	Mayur Uniquoters Ltd	10	500	0.02	500	0.02
	Nagarjuna Fertilizers and Chemicals Ltd	1	34,650	0.02	34,650	0.05
	Nagarjuna Oil Refinery Ltd	1	31,500	-	31,500	0.01
	NOCIL Ltd	10	2,001	0.03	2,001	0.04
	Novartis India Ltd	5	3,84,660	26.40	3,84,660	23.54
	Piramal Enterprises Ltd	2	105	0.03	-	-
	Pfizer Ltd	10	9,58,927	318.94	9,58,927	209.55
	Power Mech Projects Ltd	10	20	0.01	200	0.02
	Prabhat Dairy Ltd	10	2,500	0.02	1,500	0.02
	Praj Industries Ltd	10	1,000	0.02	1,000	0.01
	Sanghavi Movers Ltd	2	500	0.01	500	0.01
	Tata Motors Ltd	2	3,500	0.06	500	0.02
	Texmaco Infrastructure & Holdings Ltd	1	-	-	1,650	0.01
	The Anup Engineering Ltd[1]	10	1,52,869	8.54	-	-
	Thomas Cook (I) Ltd	10	500	0.01	-	-
	VA Tech Wabag Ltd	2	1,500	0.05	548	0.03
	Unquoted					
	Bharuch Enviro Infrasturcture Ltd	10	91,000	0.09	91,000	0.09
	Narmada Clean Tech Ltd	10	7,15,272	0.72	7,15,272	0.72
	OPGS Power Gujarat Pvt Ltd	0.19	5,03,000	0.01	-	-
	Gujarat Synthwood Ltd[3]	10	7,00,800	-	7,00,800	-
b)	**Investments in government or trust securities measured at amortised cost**					
	6 Years National Savings Certificates (deposited with government departments)			0.01		0.01
	Investment in NHAI bonds			0.10		0.10
c)	**Share application money**			-		0.01
				527.46		**453.42**

(₹ cr)

Note 6.3 Current investment		As at March 31, 2019		As at March 31, 2018	
		Number of units	Amount	Number of units	Amount
Investment in mutual funds measured at FVPL					
a)	Axis Liquid | Short-term Fund	86,39,820	37.55	21,724	4.18
b)	Birla Sun Life Cash Plus Fund	1,41,69,890	32.20	61,566	0.62
c)	Edelweiss Arbitrage Fund	2,34,29,739	24.97	-	-
d)	HDFC Liquid Fund	95,99,229	27.32	1,873	0.20
e)	SBI Premier Liquid Fund	21,60,997	18.77	1,129	0.70
f)	Reliance Arbitrage Fund	4,30,32,664	68.00	-	-
			208.81		**5.70**
			752.01		**469.84**
Aggregate amount of quoted investments			**526.53**		**452.49**
Aggregate market value of quoted investments			**526.53**		**452.49**
Aggregate amount of unquoted investments			**225.48**		**17.35**
Aggregate amount of impairment in value of investments			**-**		**-**

[1]Received in terms of demerger scheme | [2]Shares with differential voting rights (DVR) carrying value of ₹ 8,520 (March 31, 2018: ₹ 12,700) | [3]Under liquidation

(₹ cr)

Note 7 Loans	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Loan to others				
Considered good - unsecured	0.15	0.22	-	0.20
	0.15	**0.22**	**-**	**0.20**

(₹ cr)

Note 8 Other financial assets		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Security deposits for utilities and premises	0.94	1.53	0.47	1.01
b)	Derivative financial assets designated as hedges (net)	1.22	-	0.05	-
c)	Balance with banks in fixed deposits, with maturity beyond 12 months	-	-	-	0.51
d)	Dividend receivable	0.01	-	3.51	-
e)	Other receivables (including discount receivable, insurance receivable, etc)	18.92	-	16.87	-
		21.09	**1.53**	**20.90**	**1.52**

(₹ cr)

Note 9 Other assets			As at March 31, 2019		As at March 31, 2018	
			Current	Non-current	Current	Non-current
a)	Balances with government authorities					
	i)	Taxes paid under protest	-	19.64	-	18.83
	ii)	VAT receivable	0.61	6.50	0.78	19.07
	iii)	GST receivable	92.22	-	79.13	-
	iv)	Balances with statutory authorities	0.57	-	0.15	-
	v)	Deposit paid under protest	-	0.17	-	0.24
	vi)	Security deposit	-	2.05	-	2.00
b)	Export incentive receivables		35.38	-	24.26	-
c)	Capital advances		-	9.74	-	9.53
d)	Prepayment					
		Others	26.61	-	26.66	-
e)	Other receivables		3.01	-	2.49	-
			158.40	**38.10**	**133.47**	**49.67**

(₹ cr)

Note 10 Inventories*		As at March 31, 2019	As at March 31, 2018
a)	Raw materials and packing materials (refer Note 29.16)	112.06	112.39
	Add: Goods-in-transit	20.72	32.57
		132.78	144.96
b)	Work-in-progress (refer Note 29.16)	110.78	99.42
c)	Finished goods (refer Note 29.16)	220.35	122.25
d)	Stock-in-trade	1.73	1.93
e)	Stores, spares and fuel (refer Note 29.16)	41.79	33.04
	Add: Goods-in-transit	4.39	9.83
		46.18	42.87
		511.82	**411.43**

*Valued at cost or net realisable value whichever is lower.

Amounts recognised in the Consolidated Statement of Profit and Loss:

Written-down of inventories to net realisable value amounted to ₹ 12.35 cr (March 31, 2018: ₹ 6.91 cr). These were recognised as an expense during the year and included in cost of materials consumed and changes in value of inventories of work-in-progress, stock-in-trade and finished goods in the Consolidated Statement of Profit and Loss.

(₹ cr)

Note 11 Trade receivables		As at March 31, 2019		As at March 31, 2018	
a)	Considered good - Unsecured				
	Trade receivables (refer Note 29.16)	-	694.90	-	716.79
b)	Which have significant increase in Credit Risk		3.57	-	6.61
c)	Credit impaired	7.61	-	2.60	-
	Less: Allowance for doubtful debts (refer Note 29.8)	7.61		2.60	
			698.47		**723.40**

(₹ cr)

Note 12 Cash and cash equivalents		As at March 31, 2019	As at March 31, 2018
a)	Balances with banks		
	In current accounts	37.47	42.56
b)	Cash on hand	0.12	0.11
		37.59	**42.67**

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

(₹ cr)

Note 13 Bank balances other than cash and cash equivalents above		As at March 31, 2019	As at March 31, 2018
a)	Unclaimed dividend	2.14	1.95
b)	Unclaimed interest on public deposit	0.01	0.01
c)	Short-term bank deposit with maturity between three to 12 months	14.76	4.76
		16.91	**6.72**

(₹ cr)

Note 14 Equity share capital	As at March 31, 2019	As at March 31, 2018
Authorised		
8,00,00,000 (March 31, 2018: 8,00,00,000) equity shares of ₹ 10 each	80.00	80.00
	80.00	80.00
Issued		
2,96,91,780 (March 31, 2018: 2,96,91,780) equity shares of ₹ 10 each	29.69	29.69
	29.69	29.69
Subscribed		
2,96,61,733 (March 31, 2018: 2,96,61,733) equity shares of ₹ 10 each, fully paid	29.66	29.66
29,991 (March 31, 2018: 29,991) Add: Forfeited shares (amount paid-up)	0.02	0.02
	29.68	**29.68**

a) Rights, preferences and restrictions:

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

i) Equity shares:

In the event of liquidation of the Group, the holders of equity shares will be entitled to receive any of the remaining assets of the Group, after distribution of all preferential amounts and preference shares, if any. The distribution will be in proportion to the number of equity shares held by the shareholders.

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

ii) Dividend:

The Group declares and pays dividend in Indian rupees. The dividend proposed by the Board is subject to the approval of shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

b) Shares reserved for allotment at a later date:

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

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

(₹ cr)

No.	Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
		Holding %	Number of shares	Holding %	Number of shares
1	Aagam Holdings Pvt Ltd	22.42%	66,50,700	22.41%	66,50,000
2	Aeon Investments Pvt Ltd[1]	-	-	6.94%	20,60,817
3	Arvind Farms Pvt Ltd[2]	9.35%	27,72,642	-	-
4	HDFC Trustee Company Ltd	6.01%	17,82,336	-	-

[1]Amalgamated with Arvind Farms Pvt Ltd | [2]Pursuant to amalgamation of Aeon Investments Pvt Ltd and other Shareholders

(₹ cr)

Note 15 Other equity		As at March 31, 2019	As at March 31, 2018
a)	Securities premium	34.66	34.66
b)	General reserve		
	Balance as at the beginning of the year	97.36	97.36
	Add: Transfer from profit to reserve	0.05	-
	Balance as at the end of the year	97.41	97.36
c)	Retained earnings		
	Balance as at the beginning of the year	1,663.51	1,426.79
	Add: Profit for the year	432.23	276.48
	Add: Remeasurement gain | (loss) on defined benefit plans	(0.09)	1.76
	Add: Transfer from OCI on disposal of FVOCI equity instruments	0.02	1.59
	Less: Transfer to general reserve	(0.05)	-
	Less: Dividend on equity shares, including dividend distribution tax	(39.54)	(38.51)
	Less: Transactions with non-controlling interests	8.71	(4.60)
	Balance as at the end of the year	2,064.79	1,663.51

Note 15 Other equity (continued)			As at March 31, 2019	As at March 31, 2018
d)	Other reserves			
	i)	FVOCI equity instruments		
		Balance as at the beginning of the year	399.82	364.13
		Add: Equity instruments through other comprehensive income (FVOCI)	73.83	37.28
		Less: Deferred tax liability on above	(11.00)	-
		Less: Transfer to retained earnings on disposal of FVOCI equity instruments	(0.02)	(1.59)
		Balance as at the end of the year	462.63	399.82
	ii)	Effective portion of cash flows hedges		
		Balance as at the beginning of the year	0.03	(0.48)
		Add: Effective portion of gains | (loss) on cash flow hedges	1.22	0.05
		Less: Deferred tax liability on above	(0.43)	(0.02)
		Less: Hedging gain | (loss) reclassified to Consolidated Statement of Profit and Loss	(0.03)	0.48
		Balance as at the end of the year	0.79	0.03
	iii)	Exchange difference in translating the Financial Statements of a foreign operation		
		Balance as at the beginning of the year	18.86	13.80
		Add: Changes in foreign currency translation reserve	(3.11)	5.06
		Balance as at the end of the year	15.75	18.86
			2,676.03	**2,214.24**

Nature and purpose of other reserves

a) Securities premium

Securities premium is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

b) General reserve

General reserve represents amount appropriated out of retained earnings pursuant to the earlier provisions of Companies Act, 1956 and local laws of respective foreign subsidiary companies.

c) Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, any transfers from or to OCI, dividends or other distributions paid to shareholders.

d) FVOCI - equity instruments

The Group has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

e) Cash flow hedging reserve

The Group uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast sale and inventory purchases and interest rate risk associated with variable interest rate borrowings. For hedging foreign currency risk, the Company uses foreign currency forward contracts, foreign currency option contracts and interest rate swaps. They are designated as cash flow hedges to the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to profit or loss when the hedged item affects profit or loss (for example, sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (for example, inventory), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non-financial asset.

f) Foreign currency translation reserve

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to the Consolidated Statements of Profit and Loss when the net investment is disposed-off.

(₹ cr)

Note 16 Borrowings			Maturity	Terms of repayment	Interest rate p.a.	As at March 31, 2019		As at March 31, 2018	
						Current	Non-current	Current	Non-current
a)	Secured								
	i)	Rupee term loan from banks (refer Note a)	July, 2025	20 equal quarterly installments	8.90%	-	27.82	-	-
			December, 2025	22 equal quarterly installments	9%	-	2.00	-	-
	ii)	Foreign currency term loan from banks (refer Note b)	May, 2023	50 equal monthly installments	5.25%	-	0.99	-	-
			August, 2023	48 equal monthly installments starting from September 2019	2.75% (Base rate + 2%)	-	10.37	-	-
	iii)	Working capital loans from banks (refer Note c)	1 - 12 months	Repayable on demand	9.75% - 10.15%	4.32	-	3.38	-
b)	Unsecured								
	i)	Rupee term loan from a bank	March, 2021	8 quarterly installments	9.70%	-	4.17	-	-
	ii)	Loan from banks including foreign banks	1 - 6 months	1 - 6 months	1.00% - 5.00%	-	-	1.00	-
	iii)	Loan from Related Parties	1 - 6 months	1 - 6 months	9.25%	5.08	-	11.52	-
	iv)	Deposit from the Directors	1 - 12 months	1 - 12 months	6.50%	-	-	0.01	-
						9.40	**45.35**	**15.91**	**-**
	Amount of current maturities of long-term debt disclosed under the head 'Other financial liabilities' (refer Note 17)					-	(2.21)	-	-
	Interest accrued disclosed under the head 'Other financial liabilities' (refer Note 17)					(0.08)	-	-	-
						9.32	**43.14**	**15.91**	**-**

Notes:

a) Rupee term loans from banks are secured by exclusive charge on the property, plant and equipment of respective subsidiary companies, both present and future.

b) Foreign currency term loans from banks are secured by exclusive charge on the building of respective subsidiary companies, both present and future.

c) Working capital loans repayable on demand from banks are secured by hypothecation of tangible current assets, namely, inventories and book debts and secured by second and subservient charge on immovable and movable assets of the Company and certain subsidiary companies to the extent of individual bank limit as mentioned in joint consortium documents. This also extends to guarantees and letters of credit given by the bankers aggregating to ₹ 102.31 cr (March 31, 2018: ₹ 88.30 cr).

d) The carrying amount of assets hypothecated | mortgaged as security for current and non-current borrowing limits are:

(₹ cr)

Particulars		As at March 31, 2019	As at March 31, 2018
First charge for current and second charge for non-current borrowings			
i)	Inventories	454.25	378.95
ii)	Trade receivables	799.82	717.68
iii)	Current assets other than inventories and trade receivables	193.60	184.60
		1,447.67	**1,281.23**
First charge for non-current and second charge for current borrowings			
Property plant and equipment excluding leasehold land		1,082.57	937.06
Total assets as security		**2,530.24**	**2,218.29**

e) Net debt reconciliation:

(₹ cr)

Particulars	Liabilities from financing activities		
	Current borrowings	Non-current borrowings	Total
Net debt as at March 31, 2017	**144.59**	**23.10**	**167.69**
Repayments	(128.68)	(23.10)	(151.78)
Interest expense	7.38	-	7.38
Interest paid	(7.38)	-	(7.38)
Net debt as at March 31, 2018	**15.91**	**-**	**15.91**
(Repayments) | Disbursements	(6.50)	45.35	38.85
Interest expense	0.67	0.87	1.54
Interest paid	(0.67)	(0.87)	(1.54)
Net debt as at March 31, 2019	**9.40**	**45.35**	**54.75**

(₹ cr)

Note 17 Other financial liabilities		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Current maturities of long-term debt (refer Note 16)	2.21	-	0.01	-
b)	Employee benefits payable	49.53	-	23.93	-
c)	Security deposits	-	25.42	-	22.46
d)	Interest accrued but not due (refer Note 16)	0.08	-	-	-
e)	Unclaimed dividends*	2.14	-	1.95	-
f)	Unclaimed matured deposits and interest thereon*	0.01	-	0.01	-
g)	Creditor for capital goods	81.78	-	19.64	-
h)	Other liabilities (includes discount payable)	2.86	2.61	12.12	2.77
		138.61	**28.03**	**57.66**	**25.23**

*There is no amount due and outstanding to be credited to Investor Education and Protection Fund as at March 31, 2019.

(₹ cr)

Note 18 Provisions		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Provision for compensated absences	7.19	19.13	7.69	17.84
b)	Others {refer a(ii) and (b) below}	22.68	-	3.18	-
		29.87	**19.13**	**10.87**	**17.84**

a) Information about individual provisions and significant estimates

i) Compensated absences:

The Compensated absences cover the liability for sick and earned absences. Out of the total amount disclosed above, the amount of ₹ 7.41 cr (March 31, 2018: ₹ 7.69 cr) is presented as current, since the Group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months.

ii) Others:

Regulatory and other charges:

The Group has provided for certain regulatory and other charges for which claims have been received by the Company. The provision represents the unpaid amount that the entity expect to incur | pay for which the obligating event has already arisen as on the reporting date.

Effluent disposal:

The Group has provided for expenses it estimates to incur for safe disposal of effluent in line with the regulatory framework it operates in. The provision represents the unpaid amount the entity expects to incur for which the obligating event has already arisen as on the reporting date.

b) Movements in provisions:

(₹ cr)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Regulatory and other charges	Effluent disposal and others	Regulatory and other charges	Effluent disposal and others
Balance as at the beginning of the year	-	3.18	-	2.86
Less: Utilised	-	(3.18)	-	(2.86)
Provision made during the year	20.79	1.89	-	3.18
Balance as at the end of the year	**20.79**	**1.89**	**-**	**3.18**

(₹ cr)

Note 19 Other liabilities		As at March 31, 2019		As at March 31, 2018	
		Current	Non-current	Current	Non-current
a)	Deferred income on account of government grant received	-	7.45	-	8.30
b)	Statutory dues	8.88	-	6.12	-
c)	Advances received from customers	1.79	-	11.03	-
		10.67	**7.45**	**17.15**	**8.30**

(₹ cr)

Note 20 Trade payables		As at March 31, 2019	As at March 31, 2018
a)	Total outstanding dues of micro enterprises and small enterprises	7.74	3.93
b)	Total outstanding dues of creditors other than micro enterprises and small enterprises (refer Note 29.16)	371.89	455.09
		379.63	**459.02**

(₹ cr)

Note 21 Contract liabilities	As at March 31, 2019	As at March 31, 2018
For sale of products	8.46	-
	8.46	**-**

Note 22 Revenue from operations

Disaggregation of revenue from contracts with customers:

(₹ cr)

Particulars	2018-19	2017-18
Sale of goods | services		
Life Science Chemicals	**1,352.13**	**1,130.67**
Domestic	586.65	507.91
Export	746.75	608.83
Other operating revenue	18.73	13.93
Performance and Other Chemicals	**2,879.84**	**2,368.88**
Domestic	1,611.38	1,322.93
Export	1,233.22	1,016.72
Other operating revenue	35.24	29.23
Others	33.01	56.38
	4,264.98	3,555.93
Inter-segment revenue	227.17	218.01
Total revenue	**4,037.81**	**3,337.92**

Revenue from operations up to June 30, 2017 includes excise duty of ₹ 42.15 cr, which is discontinued effective July 01, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the year ended March 31, 2019 is not comparable with the previous year.

Reconciliation of revenue recognised with contract price:

(₹ cr)

Particulars	2018-19	2017-18
Contract price	3,990.54	3,318.98
Adjustments for:		
Consideration payable to customers - discounts[1]	(22.62)	(36.63)
Contract price allocated to unsatisfied performance obligation for sale of services (net)[2]	(1.43)	-
Revenue from contract with customers	**3,966.49**	**3,282.35**

[1]Consideration payable to customers like discounts and price reductions offered to customers are estimated on specific identified basis and reduced from the contract price when the Company recognises revenue from the transfer of the related goods or services to the customer and the entity pays or promises to pay the consideration.

[2]Unsatisfied performance obligation for sale of services comprises revenue from insurance and freight services for exports in-progress as at March 31, 2019 of ₹ 6.12 cr, net of revenue recognised for such services for similar contracts in-progress as at March 31, 2018 for ₹ 4.69 cr. The revenue for exports in progress as at March 31, 2019 will be recognised in 2019-20 upon completion of the exports.

(₹ cr)

Note 23 Other income	2018-19	2017-18
Dividend from equity investment measured at FVOCI	3.62	3.02
Dividend from equity investment measured at cost	-	4.52
Dividends from investments measured at FVPL	2.41	0.53
Interest income from financial assets measured at amortised cost	3.04	3.21
Interest from others	2.22	3.49
Lease income	0.55	0.54
Fair value changes in biological assets	2.50	(0.28)
Gain on disposal of property, plant and equipment	0.09	0.43
Gain on sale of investment measured at FVPL	3.96	-
Exchange rate difference gain (net)	10.67	1.61
Miscellaneous income	5.80	8.84
	34.86	**25.91**

(₹ cr)

Note 24 Cost of materials consumed	2018-19	2017-18
Raw materials and packing materials consumed		
Stocks at commencement	113.38	86.15
Add: Purchase	2196.67	1762.11
Add: Inventory acquired on business combination (refer Note 29.16)	3.97	-
	2,314.02	1,848.26
Less: Stocks at close	113.67	113.38
	2,200.35	**1,734.88**

(₹ cr)

Note 25 Changes in inventories of finished goods, work-in-progress and stock-in-trade	2018-19	2017-18
Stocks at close		
Finished goods	220.35	122.25
Work-in-progress	110.78	99.42
Stock-in-trade	1.73	1.93
	332.86	223.60
Add: Inventory acquired on Business Combination (refer Note 29.16)		
Finished goods	0.63	-
Work-in-progress	1.54	-
	2.17	-
Less: Stocks at commencement		
Finished goods	122.25	157.92
Work-in-progress	99.42	112.88
Stock-in-trade	1.93	5.55
	223.60	276.35
(Increase) | Decrease in stocks	**(107.09)**	**52.75**

(₹ cr)

Note 26 Employee benefit expenses	2018-19	2017-18
Salaries, wages and bonus (refer Note 29.6)	231.67	192.12
Contribution to provident and other funds (refer Note 29.6)	19.01	13.19
Staff welfare	9.16	8.07
	259.84	**213.38**

(₹ cr)

Note 27 Finance costs	2018-19	2017-18
Interest on borrowings	0.67	7.38
Interest on financial liabilities at amortised cost	1.30	1.02
Interest on others	5.22	3.85
Other borrowings cost	0.22	0.49
	7.41	**12.74**

(₹ cr)

Note 28 Other expenses	2018-19	2017-18
Power, fuel and water	399.53	348.92
Freight, cartage and octroi	114.36	95.57
Manpower services	31.85	37.38
Consumption of stores and spares	54.96	47.29
Conversion and plant operation charges	55.03	41.67
Plant and equipment repairs	68.17	55.41
Building repairs	31.71	19.01
Sundry repairs	9.29	7.76
Rent	3.04	2.77
Rates and taxes	1.36	1.35
Insurance	6.94	5.99
Commission	7.36	8.49
Travelling and conveyance	18.72	17.91
Payments to the Statutory Auditors	1.00	1.18
Payments to the Cost Auditors	0.03	0.03
Directors' fees and travelling	1.66	1.79
Directors' commission (other than the Executive Directors)	1.09	0.86
Bad debts and irrecoverable balances written off	0.23	0.32
Provision for doubtful debts (net)	5.01	-
Loss on assets sold, discarded or demolished	1.39	0.12
Expenditure on Corporate Social Responsibility initiatives	8.31	7.63
Miscellaneous expenses	84.07	72.28
	905.11	**773.73**

Note 29.1 Contingent liabilities

(₹ cr)

	Particulars	As at March 31, 2019	As at March 31, 2018
Claims against the Group not acknowledged as debts in respect of:			
i)	Excise duty	7.21	8.73
ii)	Income tax	7.38	7.87
iii)	Sales tax | VAT	0.67	0.67
iv)	Service tax	-	0.15
v)	Customs duty	1.94	1.94
vi)	Water and other claims	102.43	96.65
vii)	Corporate Guarantee	0.68	-

Water and other claims include claims received with respect to water charges, customer and other claims aggregating to ₹ 102.42 cr.

The above matters are currently being considered by the tax authorities | various forums and the Group expects the outcome will be in its favour and has therefore, not recognised the provision in relation to these claims. Future cash outflow in respect of above will be determined only on receipt of judgement | decision pending with tax authorities | various forums. The above (except in respect of water charges matter) excludes interest | penalties which may become payable in case of unfavourable outcome.

Note 29.2 Commitments

a) Capital commitments

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

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed and not provided for (net of advances):		
Property, plant and equipment	97.84	40.20

b) The Group has a commitment of ₹ nil (Previous year: ₹ 25.31 cr) towards capital contribution to joint operation.

Note 29.3 Research and Development

Details of expenditure incurred on approved in-house Research and Development facilities:

(₹ cr)

Particulars	2018-19	2017-18
Capital expenditure on building	1.34	-
Other capital expenditure	3.88	2.23
Recurring expenditure	24.79	20.59
	30.01	**22.82**

Note 29.4 Related party disclosures

Note 29.4 (A) Related party information

Name of the related party and nature of relationship

No.	Name of the related party	Description of relationship
1	Aagam Holdings Pvt Ltd	Entity over which control exercised by Key Management Personnel
2	Samveg Agencies Pvt Ltd	
3	Rudolf Atul Chemicals Ltd	Joint venture company
4	Rudolf GmbH	Entity over which control exercised by Joint Venture partner
5	Rudolf Duraner	
6	Key Management Personnel	
	S S Lalbhai	Chairman and Managing Director
	S A Lalbhai	Managing Director
	B N Mohanan	Whole-time Director and President - U&S
	T R Gopi Kannan	Whole-time Director and CFO
	R A Shah	Non-executive Director
	S S Baijal	Non-executive Director
	B S Mehta	Non-executive Director
	H S Shah	Non-executive Director
	S M Datta	Non-executive Director
	V S Rangan	Non-executive Director
	M M Chitale	Non-executive Director
	S A Panse	Non-executive Director
	B R Arora	Non-executive Director
	In Amal Ltd	
	R Kumar	Managing Director
	A R Jadeja	Director
	S A Shah	Director
	S Mahalakshmi	Director
	In Atul Bioscience Ltd	
	P Chebiyyam	Managing Director
	A V Dangi	Director
	P H Lele	Director
	R R Iyer	Director
	A S Lalbhai	Director
	S R Tripathi	Director
	In Atul Europe Ltd	
	Dr E Sharkey	Director
	J Collonge	Director
	S Nabar	Director
	In DPD Ltd	
	A M Batra	Director
	Dr A L Brackpool	Director
	Dr E Sharkey	Director
	S N Pandya	Director

Note 29.4 Related party disclosures (continued)

No.	Name of the related party	Description of relationship
7	Close family members of Key Management Personnel	
	Vimla S Lalbhai	Mother of S S Lalbhai
	Swati S Lalbhai	Sister of S S Lalbhai
	Astha S Lalbhai	Daughter of S S Lalbhai
	Saumya S Lalbhai	Son of S A Lalbhai
	Nishtha S Lalbhai	Daughter of S S Lalbhai
8	Welfare funds	
	Atul Foundation Trust	Entities over which Key Management Personnel or their close family members have significant influence
	Atul Kelavani Mandal	
	Atul Rural Development Fund	
	Atul Vidyalaya	
	Urmi Stree Sanstha	
9	Other Related Parties[1]	
	The Atul Officers Retirement Benefit Fund	Post-employment benefit plan of Atul Ltd
	Atul Products Ltd - Ankleshwar Division Employees' Provident Fund Trust	
	Atul Limited Employees Gratuity Fund	
	Amal Limited Group Gratuity Scheme Trust	Post-employment benefit plan of Amal Ltd
	Atul Bioscience Staff Gratuity Trust	Post-employment benefit plan of Atul Bioscience Ltd
	Atul Crop Care Limited Employees Group Gratuity Assurance Scheme	Post-employment benefit plan of Atul Crop Care Ltd
	The Trustees Atul Finserv Ltd Employees Group Gratuity Scheme	Post-employment benefit plan of Atul Finserv Ltd
	The Trustees, Atul Rajasthan Date Palms Ltd	Post-employment benefit plan of Atul Rajasthan Date Palms Ltd
	Lapox Polymers Limited Employees Group Gratuity Assurance Scheme	Post-employment benefit plan of Lapox Polymers Ltd
	Rudolf Atul Chemicals Limited Employees Group Gratuity Assurance Scheme	Post-employment benefit plan of Rudolf Atul Chemicals Ltd

[1]Refer Note 29.6 for information on transactions with post-employment benefit plans mentioned above.

(₹ cr)

Note 29.4 (B) Transactions with entity over which control exercised by Key Management Personnel			2018-19	2017-18
a)	**Expenses**			
	Reimbursement			
	Samveg Agencies Pvt Ltd (Previous year: ₹ 22,550)		-	
b)	**Other transactions**			
	1	Loan taken	**5.00**	**11.20**
		Aagam Holdings Pvt Ltd	5.00	11.20
	2	Repayment of loan received	**11.50**	**4.70**
		Aagam Holdings Pvt Ltd	11.50	4.70
	3	Interest paid on loan	**0.60**	**0.34**
		Aagam Holdings Pvt Ltd	0.60	0.34

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (C) Transactions with joint venture company			2018-19	2017-18
a)	**Sales and income**			
	1	Sale of goods	3.85	2.75
	2	Service charges received	3.29	2.90
	3	Lease rent received	0.54	0.54
	4	Interest received	0.09	0.22
b)	**Purchases and expenses**			
	1	Purchase of goods	0.24	0.30
	2	Reimbursement of expenses (Current year: ₹ 9,979 and Previous year: ₹ 5,934)		
c)	**Other transactions**			
	1	Dividends received from equity investment measured at cost	-	2.92
	2	Reimbursement received	0.66	0.56
	3	Inter corporate deposit given	5.00	5.00
	4	Inter corporate deposit received back	5.00	4.25

All above transactions are with Rudolf Atul Chemicals Ltd

(₹ cr)

Note 29.4 (D) Transactions with entity over which control exercised by joint venturer			2018-19	2017-18
a)	**Sales and income**			
	1	Commission received	**0.61**	**0.53**
		Rudolf GmbH	0.61	0.53
b)	**Purchases and expenses**			
	1	Purchase of goods	**14.00**	**23.33**
		Rudolf GmbH	14.00	23.33
	2	Insurance expense	**0.05**	**-**
		Rudolf GmbH	0.05	-

(₹ cr)

Note 29.4 (E) Key Management Personnel compensation		2018-19	2017-18
Remuneration		**17.36**	**13.33**
1	Short-term employee benefits	15.18	11.50
2	Post-employment benefits[1]	0.84	0.76
3	Commission and other benefits to Non-Executive | Independent Directors	1.34	1.07
4	Interest on deposits from Directors (Current year: ₹ 2,181 and Previous year: ₹ 6,912)		

[1]Compensation exclude provision for gratuity and compensated absences since these are based on actuarial valuation on an overall company basis.

(₹ cr)

Note 29.4 (F) Close family members of Key Management Personnel compensation		2018-19	2017-18
Remuneration		**0.50**	**0.35**
1	Astha S Lalbhai	0.28	0.23
2	Saumya S Lalbhai	0.08	-
3	Nishtha S Lalbhai	0.14	0.12

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (G) Transactions with entities over which Key Management Personnel or their close family members have significant influence			2018-19	2017-18
a)	**Sales and income**			
	Sale of goods		**0.21**	**0.18**
	Atul Kelavani Mandal		0.06	0.04
	Atul Rural Development Fund		0.01	0.01
	Atul Vidyalaya		0.14	0.13
	Urmi Stree Sanstha (Current year: ₹ 29,503)			-
b)	**Purchases and expenses**			
	Reimbursements			
	Urmi Stree Sanstha (Current year: ₹ 22,860 and Previous year: ₹ 27,401)			
c)	**Other transactions**			
	1	Expenditure on Corporate Social Responsibility initiatives	**6.42**	**7.62**
		Atul Foundation Trust	6.19	6.05
		Atul Rural Development Fund	0.23	1.57
	2	Reimbursements received	**0.05**	**0.05**
		Atul Foundation Trust (Current year: ₹ 386)		-
		Atul Kelavani Mandal (Previous year: ₹ 13,153)	0.01	
		Atul Rural Development Fund (Current year: ₹ 27,772)		-
		Atul Vidyalaya	0.04	0.05
		Urmi Stree Sanstha (Current year: ₹ 20,322)		-

(₹ cr)

Note 29.4 (H) Outstanding balances at the year end			As at March 31, 2019	As at March 31, 2018
a)	**With entity over which control exercised by Key Management Personnel**			
	Loan payable		**-**	**6.50**
	Aagam Holdings Pvt Ltd		-	6.50
b)	**With joint venture company**			
	1	Dividend receivables	-	2.92
	2	Receivables	6.76	6.44
	3	Refundable security deposit	2.40	2.60
	4	Payables	0.09	0.10
All above transactions are with Rudolf Atul Chemicals Ltd.				
c)	**With entity over which control exercised by joint venturer**			
	Payables		**0.72**	**0.75**
	Rudolf GmbH		0.72	0.75
d)	**With Key Management Personnel**			
	Payables		**-**	**0.01**
	Directors deposits		-	0.01

Note 29.4 Related party disclosures (continued)

(₹ cr)

Note 29.4 (H) Outstanding balances at the year end			As at March 31, 2019	As at March 31, 2018
e)	**With entities over which Key Management Personnel or their close family members have significant influence**			
	1	Receivables	**0.03**	**0.07**
		Atul Kelavani Mandal (Current year: ₹ 45,804)		0.05
		Atul Rural Development Fund (Current year: ₹ 41,276 and Previous year: ₹ 25,564)		
		Atul Vidyalaya	0.03	0.02
		Urmi Stree Sanstha (Current year: ₹ 21,914 and Previous year: ₹ 7,199)		
	2	Payables	**0.02**	**-**
		Atul Rural Development Fund (Current year: ₹ 15,000 and Previous year: ₹ 12,500)		
		Atul Vidyalaya	0.02	-

Note 29.5 Current and Deferred tax

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

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

(₹ cr)

Particulars		2018-19	2017-18
i)	**Current tax**		
	Current tax on profit for the year	242.73	109.04
	Adjustments for current tax of prior periods	0.89	(0.88)
	Total current tax expense	**243.62**	**108.16**
ii)	**Deferred tax**		
	(Decrease) | Increase in deferred tax liabilities	24.01	2.15
	Decrease | (Increase) in deferred tax assets	(23.31)	20.66
	Total deferred tax expense | (benefit)	**0.70**	**22.81**
	Income tax expense	**244.32**	**130.97**

b) Income tax expense recognised in Statement of other comprehensive income:

(₹ cr)

Particulars		2018-19	2017-18
i)	**Current tax**		
	Remeasurement gain | (loss) on defined benefit plans	(0.08)	0.95
	Total current tax expense	**(0.08)**	**0.95**
ii)	**Deferred tax**		
	Fair value equity investment	11.00	-
	Effective portion of gain | (loss) on cash flow hedges	0.43	0.02
	Total deferred tax expense | (benefit)	**11.43**	**0.02**
	Income tax expense	**11.35**	**0.97**

Note 29.5 Current and Deferred tax (continued)

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

(₹ cr)

		Particulars	2018-19	2017-18
a)	Statutory income tax rate		34.94%	34.61%
b)	Differences due to:			
	i)	Expenses not deductible for tax purposes	0.49%	1.05%
	ii)	Income exempt from income tax	(0.40%)	(1.63%)
	iii)	Income tax incentives	(1.15%)	(0.50%)
	iv)	Others	2.03%	(1.69%)
	Effective income tax rate		**35.91%**	**31.84%**

The applicable statutory income tax rate for the years ended March 31, 2019 and March 31, 2018 is 34.94% and 34.61%, respectively. The increase in the corporate statutory income tax rate to 34.94% is consequent to changes made in the Finance Act, 2018.

d) Current tax liabilities (net)

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	8.13	3.39
Add: Current tax payable for the year	243.62	108.16
Less: Tax paid	(251.08)	(103.42)
Closing balance	**0.67**	**8.13**

e) Current tax assets (net)

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Opening balance	2.58	1.21
Add: Taxes paid in advance, net of provisions during the year	5.84	1.37
Closing balance	**8.42**	**2.58**

f) Deferred tax liabilities | (assets)

The following is the analysis of deferred tax liabilities | (assets) balances presented in the Consolidated Balance Sheet:

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	139.48	129.55
Deferred tax assets	(0.52)	(5.01)
	138.96	**124.54**

Note 29.5 Current and Deferred tax (continued)

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

(₹ cr)

Particulars	As at March 31, 2019	(Charged) | Credited to		As at March 31, 2018	(Charged) | Credited to		As at March 31, 2017
		profit or loss	OCI | equity		profit or loss	OCI | equity	
Property, plant and equipment	147.11	1.88	-	145.23	2.15	-	143.08
Fair value equity investments (net)	11.00	-	11.00	-	-	-	-
Undistributed profit of subsidiary companies	10.81	10.81	-	-	-	-	-
Unrealised gain on mutual fund	0.32	0.32	-	-	-	-	-
Effective portion of gains | (loss) on cash flow hedges	0.43	-	0.41	0.02	-	0.27	(0.25)
Provision for leave encashment	(8.40)	(0.31)	-	(8.09)	1.15	-	(9.24)
Provision for doubtful debts	(2.66)	(1.01)	-	(1.65)	(0.55)	-	(1.10)
Regulatory and other charges	(8.79)	(8.79)	-	-	-	-	-
Unabsorbed depreciation*	(2.35)	-	-	(2.35)	-	-	(2.35)
Investment properties	(6.48)	(0.27)	-	(6.21)	(2.26)	-	(3.95)
Unrealised MTM losses on derivatives	-	-	-	-	1.75	-	(1.75)
Elimination of profits resulting from intragroup transactions	(1.89)	0.41	-	(2.30)	(2.30)	-	-
MAT credit entitlement	(0.14)	(0.03)	-	(0.11)	22.91	-	(23.02)
Net deferred tax (assets) | liabilities	**138.96**	**3.01**	**11.41**	**124.54**	**22.85**	**0.27**	**101.42**

*The Group has recognised deferred tax assets on carried forward tax losses and unabsorbed depreciation of Amal Ltd. The subsidiary company has incurred the losses over the last few financial years. The Group has recognised deferred tax assets to the extent of deductible temporary difference. The subsidiary company is currently generating and expected to generate taxable income from 2018 onwards. The losses can be carried forward for a period of eight years as per local tax regulations and the Group expects to recover the losses.

Note 29.6 Employee benefit obligations

Funded schemes

a) **Defined benefit plans:**

Gratuity

(₹ cr)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2017	**48.09**	**(48.00)**	**0.09**
Current service cost	2.96	-	2.96
Interest expense | (income)	3.46	(3.46)	-
Total amount recognised in the Consolidated Statement of Profit and Loss	**6.42**	**(3.46)**	**2.96**
Remeasurement			
Return on plan assets, excluding amount included in interest expense	-	0.07	0.07
(Gain) from change in financial assumptions	(1.13)	-	(1.13)
Experience (gain)	(1.66)	-	(1.66)
Total amount recognised in other comprehensive income	**(2.79)**	**0.07**	**(2.72)**
Employer contributions	-	(0.28)	(0.28)
Benefit payments	(5.22)	5.18	(0.04)
As at March 31, 2018	**46.50**	**(46.49)**	**0.01**
Current service cost	2.79	-	2.79
Past service cost	0.24		0.24
Interest expense | (income)	3.57	(3.57)	-
Total amount recognised in the Consolidated Statement of Profit and Loss	**6.60**	**(3.57)**	**3.03**
Remeasurement			
Return on plan assets, excluding amount included in interest expense | (income)	-	0.07	0.07
Loss from change in financial assumptions	1.00	-	1.00
Experience (gain)	(0.89)	-	(0.89)
Liability transferred in | acquisitions	0.48	-	0.48
Assets transferred in | acquisitions	-	(0.48)	(0.48)
Total amount recognised in other comprehensive income	**0.59**	**(0.41)**	**0.18**
Employer contributions	-	(3.13)	(3.13)
Benefit payments	(5.30)	5.30	-
As at March 31, 2019	**48.39**	**(48.30)**	**0.09**

The net liability disclosed above relates to following funded and unfunded plans:

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	48.39	46.50
Fair value of plan assets	(48.30)	(46.49)
Deficit of Gratuity plan	0.09	0.01

Note 29.6 Employee benefit obligations (continued)

Significant estimates: Actuarial assumptions and sensitivity

The significant actuarial assumptions were as follows:

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Discount rate	7.22%	7.68%
Attrition rate	11.87%	9.70%
Rate of return on plan assets	7.22%	7.68%
Salary escalation rate	8.04%	8.27% and 6.00%

Sensitivity analysis

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

(₹ cr)

Particulars	Change in assumptions		Impact on defined benefit obligation			
			Increase in assumptions		Decrease in assumptions	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Discount rate	1.00%	1.00%	(3.14%)	(3.46%)	3.42%	3.78%
Attrition rate	1.00%	1.00%	(0.22%)	(0.11%)	0.23%	0.12%
Rate of return on plan assets	1.00%	1.00%	(3.14%)	(3.46%)	3.42%	3.78%
Salary escalation rate	1.00%	1.00%	3.36%	3.74%	(3.15%)	(3.49%)

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

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

Major categories of plan assets are as follows:

(₹ cr)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Unquoted	in %	Unquoted	in %
Government of India assets	1.18	2.44%	1.18	2.54%
Debt instruments				
Corporate bonds	1.05	2.18%	0.98	2.11%
Investment funds				
Insurance fund	43.19	89.44%	44.15	94.97%
Others	2.70	5.60%	0.02	0.04%
Special deposit scheme	0.16	0.33%	0.16	0.34%
	48.28	**100.00%**	**46.49**	**100.00%**

Note 29.6 Employee benefit obligations (continued)

Risk exposure

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

i) Asset volatility

The plan liabilities are calculated using a discount rate set with reference to bond yields; if plan assets underperform this yield, this will create a deficit. Most of the plan asset investments are in fixed income securities with high grades and in government securities. These are subject to interest rate risk. The Group has a risk management strategy where the aggregate amount of risk exposure on a portfolio level is maintained at a fixed range. Any deviations from the range are corrected by rebalancing the portfolio. The Group intends to maintain the above investment mix in the continuing years.

ii) Changes in bond yields

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

The Group actively monitors how the duration and the expected yield of the investments are matching the expected cash outflows arising from the employee benefit obligations. The Group has not changed the processes used to manage its risks from previous periods. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets.

A large portion of assets consists insurance funds, although the Group also invests in corporate bonds and special deposit scheme. The plan asset mix is in compliance with the requirements of the respective local regulations.

Expected contributions to post-employment benefit plans for the year ending March 31, 2020 are ₹ 2.75 cr.

The weighted average duration of the defined benefit obligation is 6 years. The expected maturity analysis of gratuity is as follows:

(₹ cr)

Particulars	Less than a year	Between 1 - 2 years	Between 2 - 5 years	Over 5 years	Total
Expected defined benefit obligation (gratuity)					
As at March 31, 2019	12.73	6.57	18.38	27.12	64.80
As at March 31, 2018	9.8	6.33	19.83	46.1	82.06

Provident fund:

In case of certain employees, the provident fund contribution is made to a trust administered by the Group. The actuary has provided a valuation of provident fund liability based on the assumptions listed below and determined that there is no shortfall as at March 31, 2019.

(₹ cr)

	Expenses recognised for the year ended March 31, 2019 (included in Note 26)	As at March 31, 2019	As at March 31, 2018
i)	Defined benefit obligation	10.29	9.48
ii)	Fund	10.25	9.81
iii)	Net asset | (liability)	(0.04)	0.33
iv)	Charge to the Consolidated Statement of Profit and Loss during the year	0.28	0.20

Note 29.6 Employee benefit obligations (continued)

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

	Particulars	2018-19	2017-18
i)	Mortality rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
ii)	Withdrawal rates	5% p.a. for all age groups	5% p.a. for all age groups
iii)	Rate of discount	7.22%	7.68%
iv)	Expected rate of interest	8.65%	8.65%
v)	Retirement age	60 years	60 years
vi)	Guaranteed rate of interest	8.65%	8.65%

b) Defined contribution plans:

Provident and other funds:

Amount of ₹ 15.78 cr (March 31, 2018: ₹ 10.33 cr) {net of ₹ 0.21 cr from the Pradhan Mantri Rojgar Protsahan Yojana (PMRPY)} is recognised as expense and included in Note 26 'Contribution to Provident and other funds'.

Compensated absences:

Amount of ₹ 3.57 cr (March 31, 2018 : ₹ 1.11 cr) is recognised as expense and included in Note 26 'Salaries, wages and bonus'.

Note 29.7 Fair value measurements

Financial instruments by category

(₹ cr)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Financial assets						
Investments:						
Equity instruments	-	527.35	-	-	453.30	-
Mutual funds	208.81	-	-	5.70	-	-
Government securities	-	-	0.01	-	-	0.01
Investment in NHAI bonds	-	-	0.10	-	-	0.10
Share application money	-	-	-	-	0.01	-
Trade receivables	-	-	698.47	-	-	723.40
Loans	-	-	0.22	-	-	0.20
Security deposits for utilities and premises	-	-	2.47	-	-	1.48
Dividend receivable	-	-	0.01	-	-	3.51
Derivative financial assets designated as hedges (net)	-	1.22	-	-	0.05	-
Cash and bank balances	-	-	54.50	-	-	49.39
Other receivables	-	-	18.92	-	-	17.38
Total financial assets	**208.81**	**528.57**	**774.70**	**5.70**	**453.36**	**795.47**
Financial liabilities						

Note 29.7 Fair value measurements (continued)

(₹ cr)

Particulars	As at March 31, 2019			As at March 31, 2018		
	FVPL	FVOCI	Amortised cost	FVPL	FVOCI	Amortised cost
Borrowings	-	-	54.75	-	-	15.91
Trade payables	-	-	379.63	-	-	459.02
Security deposits	-	-	25.42	-	-	22.46
Employee benefits payable	-	-	49.53	-	-	23.93
Creditors for capital goods	-	-	81.78	-	-	19.64
Other liabilities (includes discount payables)	-	-	7.70	-	-	16.86
Total financial liabilities	**-**	**-**	**598.81**	**-**	**-**	**557.82**

a) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are a) recognised and measured at fair value and b) measured at amortised cost and for which fair values are disclosed in the Financial Statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the 3 levels prescribed in the Indian Accounting Standard. An explanation of each level follows underneath the table:

(₹ cr)

i)	Financial assets and liabilities measured at fair value as at March 31, 2019	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments at FVPL:					
	Mutual funds	6.3	-	208.81	-	208.81
	Financial investments at FVOCI:					
	Quoted equity shares	6.2	526.54	-	-	526.54
	Unquoted equity shares[1]	6.2	-	-	0.81	0.81
	Derivatives designated as hedges:					
	Currency options	8	-	1.22	-	1.22
	Total financial assets		**526.54**	**210.03**	**0.81**	**737.38**
	Biological assets					
	Tissue culture raised date palms		-	-	22.18	22.18
	Total biological assets		**-**	**-**	**22.18**	**22.18**

Note 29.7 Fair value measurements (continued)

(₹ cr)

ii)	Assets and liabilities for which fair values are disclosed as at March 31, 2019	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Investments:					
	Government securities	6.2	-	0.01	-	0.01
	Investment in NHAI bonds	6.2	-	0.10	-	0.10
	Security deposits for utilities and premises	8	-	-	2.47	2.47
	Total financial assets		**-**	**0.11**	**2.47**	**2.58**
	Financial liabilities					
	Borrowings	16	-	-	54.75	54.75
	Security deposits	17	-	-	25.42	25.42
	Total financial liabilities		**-**	**-**	**80.17**	**80.17**
	Investment properties	3	**-**	**-**	**110.00**	**110.00**

(₹ cr)

iii)	Financial assets and liabilities measured at fair value as at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Financial investments at FVPL:					
	Mutual funds	6.3	-	5.70	-	5.70
	Financial investments at FVOCI:					
	Quoted equity shares	6.2	452.49	-	-	452.49
	Unquoted equity shares[1]	6.2	-	-	0.81	0.81
	Share application money	6.2	-	0.01	-	0.01
	Derivatives designated as hedges:					
	Currency options	8	-	0.05	-	0.05
	Total financial assets		**452.49**	**5.76**	**0.81**	**459.06**
	Biological assets					
	Tissue culture raised date palms		-	-	22.70	22.70
	Total biological assets		**-**	**-**	**22.70**	**22.70**

Note 29.7 Fair value measurements (continued)

(₹ cr)

iv)	Assets and liabilities for which fair values are disclosed as at March 31, 2018	Note	Level 1	Level 2	Level 3	Total
	Financial assets					
	Investments:					
	Government securities	6.2	-	0.01	-	0.01
	Investment in NHAI bonds	6.2	-	0.10	-	0.10
	Security deposits for utilities and premises	8	-	-	1.48	1.48
	Total financial assets		**-**	**0.11**	**1.48**	**1.59**
	Financial liabilities					
	Borrowings	16	-	-	15.91	15.91
	Security deposits	17	-	-	22.46	22.46
	Total financial liabilities		**-**	**-**	**38.37**	**38.37**
	Investment properties	3	**-**	**-**	**141.00**	**141.00**

[1]Includes investments in Bharuch Enviro Infrastructure Ltd (70,000 equity shares), in Narmada Clean Tech Ltd (7,15,272 equity shares) and in OPGS Power Gujarat Pvt Ltd (5,03,000 equity shares) which are for operation purposes and the Company expects its refund on exit. The Company estimates that the fair value of these investments is not materially different as compared to its cost.

There were no transfers between any levels during the year.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. The fair value of all equity instruments which are traded on the Stock Exchanges is valued using the closing price as at the reporting period.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. The mutual fund units are valued using the closing net assets value. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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

b) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

i) the use of quoted market prices or dealer quotes for similar instruments,

ii) the fair value of forward foreign exchange contracts are determined using forward exchange rates at the Balance Sheet date,

iii) the fair value of foreign currency option contracts is determined using the Black Scholes valuation model,

iv) the fair value of the remaining financial instruments is determined using discounted cash flows analysis.

All of the resulting fair value estimates are included in level 1, 2 and 3.

c) Valuation processes

The finance department of the Group includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.

Note 29.7 Fair value measurements (continued)

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

(₹ cr)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments:				
Government securities	0.01	0.01	0.01	0.01
Investment in NHAI bonds	0.10	0.10	0.10	0.10
Security deposits for utilities and premises	2.47	2.47	1.48	1.48
Total financial assets	**2.58**	**2.58**	**1.59**	**1.59**
Financial liabilities				
Borrowings	54.75	54.75	15.91	15.91
Security deposits	25.42	25.42	22.46	22.46
Total financial liabilities	**80.17**	**80.17**	**38.37**	**38.37**

The carrying amounts of trade receivables, cash and cash equivalents, other bank balances, dividend receivables, other receivables, trade payables, capital creditors, other liabilities are considered to be the same as their fair values due to the current and short-term nature of such balances.

The fair values of non-current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

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

Note 29.8 Financial risk management

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

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

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

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

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

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

a) Management of liquidity risk

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

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

Note 29.8 Financial risk management (continued)

(₹ cr)

As at March 31, 2019	Note	Carrying amount	Less than 12 months	More than 12 months	Total
Borrowings	16	54.75	11.61	43.14	54.75
Trade payables	20	379.63	379.63	-	379.63
Security and other deposits	17	25.42	-	25.42	25.42
Employee benefits payable	17	49.53	49.53	-	49.53
Creditors for capital goods	17	81.78	81.78	-	81.78
Other liabilities	17	7.70	5.09	2.61	7.70
As at March 31, 2018	**Note**	**Carrying amount**	**Less than 12 months**	**More than 12 months**	**Total**
Borrowings	16	15.91	15.91	-	15.91
Trade payables	20	459.02	459.02	-	459.02
Security and other deposits	17	22.46	-	22.46	22.46
Employee benefits payable	17	23.93	23.93	-	23.93
Creditors for capital goods	17	19.64	19.64	-	19.64
Other liabilities	17	16.86	14.09	2.77	16.86

b) Management of market risk

The size and operations of the Group exposes it to the following market risks that arise from its use of financial instruments:

i) price risk

ii) interest rate risk

iii) foreign exchange risk

Note 29.8 Financial risk management (continued)

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

	Potential impact of risk	Management policy	Sensitivity to risk
i)	**Price risk**		
	The Group is mainly exposed to the price risk due to its investments in equity instruments and mutual funds. The price risk arises due to uncertainties about the future market values of these investments. Equity price risk is related to the change in market reference price of the investments in equity securities. In general, these securities are not held for trading purposes. These investments are subject to changes in the market price of securities. The fair value of quoted equity instruments classified at fair value through Other Comprehensive Income as at March 31, 2019 is ₹ 527.46 cr (March 31, 2018: ₹ 452.50 cr). The fair value of mutual fund classified at fair value through profit and loss as at March 31, 2019 is ₹ 212.31 cr (March 31, 2018: ₹ 5.70 cr).	In order to manage its price risk arising from investments in equity instruments, the Group maintains its portfolio in accordance with the framework set by the Risk Management policies. Any new investment or divestment must be approved by the Board of Directors, Chief Financial Officer and Risk Management Committee.	As an estimation of the approximate impact of price risk, with respect to investments in equity instruments, the Group has calculated the impact as follows: For equity instruments, a 9.14% increase in Nifty 50 prices would have led to approximately an additional ₹ 25.67 cr gain in other comprehensive income (2017-18: ₹ 40.89 cr). A 9.14% decrease in Nifty 50 prices would have led to an equal but opposite effect.
ii)	**Interest rate risk**		
	Financial liabilities:		
	The Group is mainly exposed to interest rate risk due to its variable interest rate borrowings. The interest rate risk arises due to uncertainties about the future market interest rate of these borrowings. As at March 31, 2019, the exposure to interest rate risk due to variable interest rate borrowings amounted to ₹ 8.49 cr (March 31, 2018: ₹ Nil)	In order to manage its interest rate risk arising from variable interest rate borrowings, the Group uses interest rate swaps to hedge its exposure to future market interest rates whenever appropriate. The hedging activity is undertaken in accordance with the framework set by the Risk Management Committee and supported by the treasury department.	As an estimation of the approximate impact of the interest rate risk, with respect to financial instruments, the Group has calculated the impact of a 25 bps change in interest rates. A 25 bps increase in interest rates would have led to approximately an additional ₹ 0.02 cr (2017-18: ₹ Nil) gain in other comprehensive income. A 25 bps decrease in interest rates would have led to an equal but opposite effect.

Note 29.8 Financial risk management (continued)

iii)	Foreign exchange risk		
	The Group has international operations and is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised financial assets and liabilities denominated in a currency that is not the functional currency (₹) of the Group. The risk also includes highly probable foreign currency cash flows. The objective of the cash flows hedges is to minimise the volatility of the ₹ cash flows of highly probable forecast transactions.	The Group has exposure arising out of export, import, loans and other transactions other than functional risk. The Group hedges its foreign exchange risk using foreign exchange forward contracts and currency options after considering the natural hedge. The same is within the guidelines laid down by Risk Management Policy of the Group.	As an estimation of the approximate impact of the foreign exchange rate risk, with respect to Financial Statements, the Group has calculated the impact as follows: For derivative and non-derivative financial instruments, a 2% increase in the spot price as on the reporting date would have led to an increase in additional ₹ 2.91 cr gain in other comprehensive income (2017-18: gain of ₹ 2.78 cr). A 2% decrease would have led to an increase in additional ₹ 2.24 cr loss in other comprehensive income (2017-18: Gain of ₹ 2.30 cr).

Foreign currency risk exposure:

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

Particulars	As at March 31, 2019					
	US$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Trade receivables	38.62	267.15	2.03	15.76	0.33	2.96
Less:						
Hedged through derivatives[1]						
Currency range options	12.45	86.12	0.13	1.01	-	-
Net exposure to foreign currency risk (assets)	**26.17**	**181.03**	**1.90**	**14.75**	**0.33**	**2.96**
Financial liabilities						
Trade payables	13.53	92.58	0.08	0.59	-	0.04
Net exposure to foreign currency risk (liabilities)	**13.53**	**92.58**	**0.08**	**0.59**	**-**	**0.04**

[1]Includes hedges for highly probable transactions up to next 12 months

Particulars	As at March 31, 2018					
	US$ mn	₹ cr	€ mn	₹ cr	£ mn	₹ cr
Financial assets						
Trade receivables	37.07	241.10	1.21	9.78	0.03	0.27
Less:						
Hedged through derivatives[1]						
Currency range options	0.92	6.01	-	-	-	-
Net exposure to foreign currency risk (assets)	**36.15**	**235.09**	**1.21**	**9.78**	**0.03**	**0.27**
Financial liabilities						
Trade payables	16.39	106.55	0.06	0.48	0.03	0.24
Less:						
Hedged through derivatives[1]						
Currency range option	3.72	24.22	-	-	-	-
Net exposure to foreign currency risk (liabilities)	**12.67**	**82.33**	**0.06**	**0.48**	**0.03**	**0.24**

[1]Includes hedges for highly probable transactions up to next 12 months

Note 29.8 Financial risk management (continued)

c) Management of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty fails to meet its contractual obligations.

Trade receivables

Concentrations of credit risk with respect to trade receivables are limited, due to the customer base being large, diverse and across sectors and countries. Significant portion of trade receivable are secured by insurance policies or EPCG schemes. All trade receivables are reviewed and assessed for default on a quarterly basis.

Reconciliation of loss allowance provision – trade receivables

(₹ cr)

Particulars	Loss allowance on trade receivables
Loss allowance as on March 31, 2017	**3.16**
Changes in loss allowance	(0.56)
Loss allowance as on March 31, 2018	**2.60**
Changes in loss allowance	5.01
Loss allowance as on March 31, 2019	**7.61**

Other financial assets

The Group maintains exposure in cash and cash equivalents, term deposits with banks, investments in government securities, preference shares and loans to subsidiary companies. The Group has diversified portfolio of investment with various number of counterparties which have secure credit ratings hence the risk is reduced. Individual risk limits are set for each counter-party based on financial position, credit rating and past experience. Credit limits and concentration of exposures are actively monitored by the treasury department of the Group.

Impact of hedging activities

a) Disclosure of effects of hedge accounting on financial position:

As at March 31, 2019 (₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US$								
Foreign exchange risk								
Currency range options	87.09	-	1.22	-	1-12	69.64-75.84	1.22	(1.22)

Note 29.8 Financial risk management (continued)

As at March 31, 2018 (₹ cr)

Type of hedge and risks	Notional value		Carrying amount of hedging instrument		Maturity (months)	Weighted average strike price | interest rate	Changes in fair value of hedging instrument	Change in the value of hedged item used as the basis for recognising hedge effectiveness
	Assets	Liabilities	Assets	Liabilities				
Cash flow hedge								
₹ : US$								
Foreign exchange risk								
Foreign exchange forward contracts	6.01	-	0.07	-	1-12	66.18	0.07	(0.07)
Currency range options	-	24.22	-	(0.02)	1-12	64.90-68.90	(0.02)	0.02

b) Disclosure of effects of hedge accounting on financial performance

As at March 31, 2019 (₹ cr)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	1.22	-	0.05	Trade receivable and payable

As at March 31, 2018 (₹ cr)

Type of hedge	Change in the value of the hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Financial Statement line item affected
Cash flow hedge				
Foreign exchange risk	0.05	-	(0.73)	Revenue and inventories

Movements in cash flow hedging reserve

(₹ cr)

Risk category	Foreign currency risk	
Derivative instruments	As at March 31, 2019	As at March 31, 2018
Balance at the beginning of the year	**0.03**	**(0.48)**
Gain | (Loss) recognised in other comprehensive income during the year	1.22	0.05
Amount reclassified to revenue during the year	(0.03)	0.48
Tax impact on above	(0.43)	(0.02)
Balance at the end of the year	**0.79**	**0.03**

Note 29.9 Capital management

Risk Management

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

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

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

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Total debt	54.75	15.91
Total equity	2,705.71	2,243.92
Debt-Equity ratio	0.02	0.01

Note 29.10 Offsetting financial assets and liabilities

The below Note presents the recognised assets that are offset or subject to enforceable master netting arrangements and other similar agreements, but not offset as at March 31, 2019 and March 31, 2018.

a) Collateral against borrowings

The Group has hypothecated | mortgaged assets as collateral against a number of its sanctioned line of credit. Refer Note 16 for further information on financial and non-financial collateral hypothecated | mortgaged as security.

b) Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), the net position owing | receivable to a single counterparty in the same currency will be taken as owing and all the relevant arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the Balance Sheet.

Note 29.11 Earnings per share

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

Particulars		2018-19	2017-18
Profit for the year attributable to the equity shareholders	₹ cr	436.02	281.24
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 EPS	₹	147.00	94.82

Note 29.12 Leases

a) Operating lease

The Group has taken various residential and office premises under operating lease or leave and license agreements. These are generally cancellable, have a term between 11 months and three years and have no specific obligation for renewal. Payments are recognised in the Statement of Profit and Loss under 'Rent' in Note 28.

b) Finance lease

The Group has taken on lease a parcel of land from Gujarat Industrial Development Corporation for a period of 99 years with an option to extend the lease by another 99 years on expiry of lease at a rental that is 100% higher than the current rental. The Group has considered that such a lease of land transfers substantially all of the risks and rewards incidental to ownership of land, and has thus accounted for the same as finance lease.

Note 29.13 Rounding off

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

Note 29.14 Interests in other entities

a) Subsidiary companies

The subsidiary companies of the Group at March 31, 2019 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

(₹ cr)

Name of entity	Principal activities	Place of business | country of incorporation	Ownership interest held by the Group		Ownership interest held by the non-controlling interest	
			As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
			%	%	%	%
Aaranyak Urmi Ltd	Food products	India	100	100	-	-
Aasthan Dates Ltd	Agri products	India	100	100	-	-
Amal Ltd	Chemicals	India	53	53	47	47
Anchor Adhesives Private Ltd	Chemicals	India	100	100	-	-
Atul Aarogya Ltd	Healthcare products	India	100	100	-	-
Atul Ayurveda Ltd	Ayurvedic products	India	100	100	-	-
Atul Bioscience Ltd	Chemicals	India	100	100	-	-
Atul Biospace Ltd	Agri products	India	100	100	-	-
Atul Brasil Qumicos Ltda	Chemicals	Brasil	100	100	-	-
Atul China Ltd	Chemicals	China	100	100	-	-
Atul Clean Energy Ltd	Renewable energy	India	100	100	-	-
Atul Crop Care Ltd	Agri products	India	100	100	-	-
Atul Deutschland GmbH	Chemicals	Germany	100	100	-	-
Atul Elkay Polymer Ltd	Polymers	India	100	100	-	-
Atul Entertainment Ltd	Entertainment	India	100	100	-	-
Atul Europe Ltd	Chemicals	UK	100	100	-	-
Atul Finserv Ltd	Investments	India	100	100	-	-
Atul Finresource Ltd	Finance	India	100	100	-	-
Atul Hospitality Ltd	Hospitality	India	100	100	-	-
Atul Infotech Private Ltd	Information Technology	India	100	100	-	-
Atul Middle East FZ-LLC	Chemicals	UAE	100	100	-	-
Atul Nivesh Ltd	Investments	India	100	100	-	-
Atul Rajasthan Date Palms Ltd	Agri products	India	74	74	26	26
Atul (Retail) Brands Ltd	Retail	India	100	100	-	-
Atul Seeds Ltd	Agri products	India	100	100	-	-
Atul USA Inc	Chemicals	USA	100	100	-	-
Biyaban Agri Ltd	Agri products	India	100	100	-	-
DPD Ltd	Agri products	UK	98	98	2	2
Jayati Infrastructure Ltd	Infrastructure	India	100	100	-	-
Lapox Polymers Ltd	Polymers	India	100	100	-	-
Osia Dairy Ltd	Dairy	India	100	100	-	-
Osia Infrastructure Ltd	Infrastructure	India	100	100	-	-
Raja Dates Ltd	Agri products	India	100	100	-	-

Note 29.14 Interests in other entities (continued)

b) Non-controlling interests

Set out below is summarised financial information for each subsidiary company that has non-controlling interests that are material to the Group. The amounts disclosed for each subsidiary company are before inter-company eliminations.

(₹ cr)

Summarised Balance Sheet	Amal Ltd	
	As at March 31, 2019	As at March 31, 2018
Current assets	22.59	17.19
Current liabilities	14.92	9.49
Net current assets	**7.67**	**7.70**
Non-current assets	31.66	35.69
Non-current liabilities	1.79	6.77
Net non-current assets	**29.87**	**28.92**
Net assets	**37.54**	**36.62**
Accumulated non-controlling interests	**17.70**	**17.27**

(₹ cr)

Summarised Statement of Profit and Loss	Amal Ltd	
	2018-19	2017-18
Revenue	33.44	32.65
Profit for the year	7.75	9.70
Other comprehensive income	(0.01)	-
Total comprehensive income	7.74	9.70
Profit allocated to NCI	3.65	4.58
Dividends paid to NCI	-	-

(₹ cr)

Summarised cash flows	Amal Ltd	
	2018-19	2017-18
Cash flows from operating activities	4.14	3.90
Cash flows from investing activities	(3.71)	(1.34)
Cash flows from financing activities	(1.89)	(1.89)
Net increase | (decrease) in cash and cash equivalents	(1.45)	0.67

c) Interests in joint venture company accounted using the equity method

(₹ cr)

Name of entity	Place of business | country of incorporation	% of ownership interest	Relationship	Quoted fair value		Carrying amount	
				As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Rudolf Atul Chemicals Ltd	India	50	Joint venture	*	*	15.74	10.72
Total						**15.74**	**10.72**

*Note: Unlisted entity - no quoted price available

Note 29.14 Interests in other entities (continued)

Rudolf Atul Chemicals Ltd

The Group acquired 50% interest in Rudolf Atul Chemicals Ltd (RACL), a joint venture company in India between IB Industriechemie Beteiligungs GmbH (Germany) and Atul Ltd, on August 18, 2011. RACL is engaged in the business of manufacturing and marketing textile chemicals. As per the contractual arrangement between the shareholders of RACL, both the companies have significant participating rights such that they jointly control the operations of the joint venture company.

i) Commitments and contingent liabilities in respect of the joint venture company

(₹ cr)

Particulars	As at March 31, 2019	As at March 31, 2018
Share in contingent liabilities in respect of disputed demands for income tax of the joint venture company	0.51	0.62
Total commitments and contingent liabilities	**0.51**	**0.62**

ii) Summarised financial information in respect of the joint venture company

The tables below provide summarised financial information in respect of the joint venture company that are material to the Group. The information disclosed are as presented in the Financial Statements of the joint venture company. They have been amended to reflect adjustments made by the entity when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

(₹ cr)

Summarised Balance Sheet	Rudolf Atul Chemicals Ltd	
	March 31, 2019	March 31, 2018
Current assets		
Cash and cash equivalents	3.25	4.69
Other assets	37.94	30.87
Total current assets	**41.19**	**35.56**
Total non-current assets	**6.01**	**6.17**
Current liabilities		
Financial liabilities (excluding trade payables)	2.03	7.11
Other liabilities	10.65	9.46
Total current liabilities	**12.68**	**16.57**
Non-current liabilities		
Financial liabilities (excluding trade payables)	1.28	2.64
Other liabilities	0.16	0.16
Total non-current liabilities	**1.44**	**2.80**
Net assets	**33.08**	**22.36**

(₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	March 31, 2019	March 31, 2018
Opening net assets	21.99	19.99
Profit for the year	10.73	9.04
Other comprehensive income	-	(0.01)
Dividends paid	-	(7.03)
Closing net assets	**32.72**	**21.99**
Share of Group in %	50%	50%
Share of Group in ₹	16.36	11.00
Carrying amount	**16.36**	**11.00**

Note 29.14 Interests in other entities (continued)

Summarised Statement of Profit and Loss (₹ cr)

Reconciliation to carrying amounts	Rudolf Atul Chemicals Ltd	
	2018-19	2017-18
Revenue	83.72	75.83
Interest income	0.62	0.53
Depreciation and amortisation	0.40	0.36
Interest expense	0.13	0.12
Income tax expense	4.55	4.92
Profit for the year	**10.73**	**9.04**
Other comprehensive income	-	(0.01)
Total comprehensive income	**10.73**	**9.03**
Dividends received	-	3.52

Note 29.15 Segment information

a) Description of segments and principal activities

The Group has determined the following reporting segments, based on the information reviewed by Chief Operating Decision Maker:

Name of segment	Product groups
Life Science Chemicals	APIs, API Intermediates, Fungicides, Herbicides
Performance and Other Chemicals	Adhesion promoters, Bulk chemicals, Epoxy resins and hardeners, Intermediates, Textile dyes
Others	Agribiotech, Food products, Services

b) Primary segment - business

(₹ cr)

	Particulars	Life Science Chemicals		Performance and Other Chemicals		Others		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
i)	Segment revenue								
	Gross sales	1,352.13	1,130.67	2,879.84	2,368.88	33.01	56.38	4,264.98	3,555.93
	Less: Inter segment revenue	1.43	1.76	225.74	216.25	-	-	227.17	218.01
	Net revenue from operations	1,350.70	1,128.91	2,654.10	2,152.63	33.01	56.38	4,037.81	3,337.92
ii)	Segment results								
	Profit before finance cost and tax	230.09	131.81	462.78	290.36	3.49	7.88	696.36	430.05
	Less: Finance costs							7.41	12.74
	Less: Other unallocable expenditure (net of unallocable income)							13.63	9.33
	Add: Share of net profit of joint venture company							5.02	4.23

Note 29.15 Segment information (continued)

(₹ cr)

	Particulars	Life Science Chemicals		Performance and Other Chemicals		Others		Total	
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	Profit before tax							680.34	412.21
iii)	Other information								
	Segment assets	856.52	723.78	1,708.02	1,591.20	60.16	73.59	2,624.70	2,388.57
	Unallocated common assets							919.27	625.02
	Total assets							3,543.97	3,013.59
	Segment liabilities	197.14	149.21	364.87	395.50	9.50	18.98	571.51	563.69
	Unallocated common liabilities							242.95	185.97
	Total liabilities							814.46	749.66
	Additions to assets and intangible assets	81.05	40.89	153.83	96.43	9.84	1.24	244.72	138.56
	Unallocated additions to assets and intangible assets							0.68	2.31
	Total capital expenditure*							245.40	140.87
	Depreciation	32.45	31.29	81.74	73.93	1.68	2.38	115.87	107.60
	Unallocated depreciation							3.04	2.78
	Total depreciation							118.91	110. 38

c) Secondary segment - geographical

(₹ cr)

Particulars	In India		Outside India		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Segment revenue	1,978.13	1,630.60	2,059.68	1,707.32	4,037.81	3,337.92
Carrying cost of assets by location of assets	3,225.26	2,748.74	318.71	264.85	3,543.97	3,013.59
Additions to assets and intangible assets*	245.40	140.87	-	-	245.40	140.87

Other disclosures:

i) The Group has disclosed business segment as the primary segment which have been identified in line with the Ind AS 108 'Operating Segments' taking into account the organisation structure as well as the differing risks and returns.

ii) The segment revenue, results, assets and liabilities include respective amounts identifiable to each segment and amounts allocated on a reasonable basis.

iii) The Group accounts for inter segment sales and transfers at market price.

*Including capital work-in-progress and capital advances

Note 29.16 Business combination

a) Brief of the transaction

During the year, a subsidiary company acquired manufacturing facilities of Polydrug Laboratories Pvt Ltd based at Ambernath additional MIDC through slump sale as a continuing business effective, January 01, 2019. The transaction has been entered by a subsidiary company to move ahead in value chain from Active Pharmaceutical Ingredient (API) Intermediates manufacturer to an API manufacturer.

Note 29.16 Business combination (continued)

b) Consideration

The total consideration paid | payable for acquisition was ₹ 80.37 cr in cash.

c) The fair value of assets and liabilities recognised as a result of the acquisition are as follows:

(₹ cr)

Particulars	Amount
Assets	
Leasehold land	25.79
Buildings	10.23
Roads	0.10
Plant and machinery	10.73
Office equipment and furniture	0.18
Vehicle (₹ 7,726)	
Computer software	0.14
Inventories	
Raw materials and packing materials	3.97
Work-in-progress	1.54
Finished goods	0.63
Stores, spares and fuel	0.17
Trade receivables	26.03
Deposits	0.26
Other current assets	0.39
Total assets	**80.16**
Liabilities	
Trade payables	8.35
Total liabilities	**8.35**
Net Identifiable assets acquired	**71.81**

d) Calculation of Goodwill

(₹ cr)

Particulars	Amount
Total consideration	80.37
Net Identifiable assets	71.81
Goodwill	**8.56**

Goodwill is attributable to employees, processes etc. The same will be tax deductible.

Note 29.16 Business combination (continued)

e) Acquired receivables

(₹ cr)

Particulars	Amount
Fair value of acquired trade receivables	26.03
Gross contractual amount for trade receivables	26.03
Contractual cash flows not expected to be collected	-

f) Acquisition related costs

Acquisition related costs of ₹ 3.08 cr have been charged to the Consoldiated Statement of Profit and Loss in terms of Ind AS 103.

g) Purchase consideration – cash outflow as at March 31, 2019

(₹ cr)

Particulars	Amount
Net outflow of cash – investing activities	42.92

h) Pursuant to the above, figures of current year are not comparable to those of previous year.

Note 29.17 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013

(₹ cr)

No.	Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ cr)	As % of consolidated profit and (loss)	Amount (₹ cr)	As % of consolidated other comprehensive income	Amount (₹ cr)	As % of consolidated total comprehensive income	Amount (₹ cr)
	Parent company								
01	Atul Ltd	88.32%	2,649.56	92.66%	428.64	104.66%	63.35	94.04%	491.99
	Indian subsidiary companies								
01	Aaranyak Urmi Ltd	0.02%	0.15	(0.01%)	(0.06)	-	-	-	-
02	Aasthan Dates Ltd	0.07%	1.74	0.00%	(0.01)	-	-	0.00%	(0.01)
03	Amal Ltd	1.25%	37.54	1.68%	7.75	(0.02%)	(0.01)	1.48%	7.74
04	Anchor Adhesives Pvt Ltd	0.02%	0.45	0.00%	0.02	-	-	0.00%	0.02
05	Atul Aarogya Ltd	0.00%	0.13	-	-	-	-	-	-
06	Atul Ayurveda Ltd	0.00%	0.08	-	-	-	-	-	-
07	Atul Bioscience Ltd	2.06%	61.65	1.74%	8.06	(0.02%)	(0.01)	1.54%	8.05
08	Atul Biospace Ltd	0.45%	13.52	0.19%	0.88	-	-	0.17%	0.88
09	Atul Clean Energy Ltd	0.00%	0.05	-	-	-	-	-	-
10	Atul Crop Care Ltd	0.07%	2.15	0.12%	0.55	0.15%	0.09	0.12%	0.64
11	Atul Elkay Polymers Ltd	0.00%	(0.06)	-	-	-	-	-	-
12	Atul Entertainment Ltd	0.00%	0.08	-	-	-	-	-	-
13	Atul Finserv Ltd	2.36%	70.76	0.08%	0.36	0.04%	0.03	0.07%	0.39
14	Atul Fin Resources Ltd	0.09%	2.69	0.03%	0.12	-	-	0.02%	0.12
15	Atul Hospitality Ltd	0.00%	0.08	-	-	-	-	-	-

Note 29.17 Disclosure of additional information pertaining to the parent, subsidiary and joint venture companies as per Schedule III of the Companies Act, 2013 (continued)

(₹ cr)

No.	Name of the entity in the Group	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
		As % of consolidated net assets	Amount (₹ cr)	As % of consolidated profit and (loss)	Amount (₹ cr)	As % of consolidated other comprehensive income	Amount (₹ cr)	As % of consolidated total comprehensive income	Amount (₹ cr)
16	Atul Infotech Pvt Ltd	0.56%	16.93	0.04%	0.19	-	-	0.04%	0.19
17	Atul Nivesh Ltd	0.09%	2.69	0.03%	0.12	-	-	0.02%	0.12
18	Atul Rajasthan Date Palms Ltd	0.30%	9.07	0.05%	0.24	-	-	0.05%	0.24
19	Atul (Retail) Brands Ltd	0.00%	0.05	-	-	-	-	-	-
20	Atul Seeds Ltd	0.00%	0.05	-	-	-	-	-	-
21	Biyaban Agri Ltd	0.02%	0.53	(0.01%)	(0.06)	-	-	(0.01%)	(0.06)
22	Jayati Infrastructure Ltd	0.00%	0.05	-	-	-	-	0.00%	-
23	Lapox Polymers Ltd	0.06%	1.66	0.11%	0.49	0.12%	0.07	0.11%	0.56
24	Osia Dairy Ltd	0.00%	0.05	-	-	-	-	-	-
25	Osia Infrastructure Ltd	0.00%	0.05	-	-	-	-	-	-
26	Raja Dates Ltd	0.12%	3.66	(0.02%)	(0.09)	-	-	(0.02%)	(0.09)
	Foreign subsidiary companies								
01	Atul Brasil Quimicos Ltda	0.01%	0.15	0.02%	0.07	(0.02%)	(0.01)	0.01%	0.06
02	Atul China Ltd	0.16%	4.92	0.44%	2.03	(2.73%)	(1.65)	0.07%	0.38
03	Atul Deutschland GmbH	0.01%	0.43	(0.01%)	(0.04)	(0.03%)	(0.02)	(0.01%)	(0.06)
04	Atul Europe Ltd	1.10%	33.02	0.35%	1.64	(1.07%)	(0.65)	0.19%	0.99
05	Atul Middle East FZ LLC	0.02%	0.50	0.05%	0.23	0.02%	0.01	0.05%	0.24
06	Atul USA Inc	0.71%	21.26	0.76%	3.51	(0.56%)	(0.34)	0.61%	3.17
07	DPD Ltd	0.59%	17.82	0.74%	3.43	(0.55%)	(0.33)	0.59%	3.10
	Joint venture company								
01	Rudolf Atul Chemicals Ltd	-	-	1.09%	5.02	-	-	0.96%	5.02
	Joint operation								
01	Anaven LLP	1.55%	46.37	(0.11%)	(0.50)	-	-	(0.10%)	(0.50)
	Total (A)	**100.00%**	**2,999.83**	**100.00%**	**462.59**	**100.00%**	**60.53**	**100.00%**	**523.18**
	a) Adjustment arising out of consolidation		(294.11)		(30.35)		(0.11)		(30.46)
	b) Non-controlling interests								
01	Amal Ltd		20.91		3.65		-		3.65
02	Atul Rajasthan Date Palms Ltd		2.36		0.07		-		0.07
03	DPD Ltd		0.52		0.07		-		0.07
			23.79		3.79		-		3.79
	Total (B)		**(270.32)**		**(26.56)**		**(0.11)**		**(26.67)**
	Grand total (A+B)		**2,729.51**		**436.03**		**60.42**		**496.51**

Note 29.18 Changes in accounting policies

The Group adopted Ind AS 115 by using the modified retrospective transition method effective April 01, 2018. Under this method, the Group recognised the cumulative effect of initially applying Ind AS 115 as an adjustment to the opening balance of retained earnings as at April 01, 2018. Comparative prior period has not been adjusted.

Entities applying the modified retrospective method can elect to apply the revenue standard only to contracts that are not completed as at the date of initial application (that is, they would ignore the effects of applying the revenue standard to contracts that were completed prior to the date of initial application). However, the Group elected to apply the standard to all contracts as at April 01, 2018.

There is no impact on the retained earnings as at April 01, 2018.

The following table presents the amounts by which each financial statement line item is affected in the current year ended March 31, 2019 by the application of Ind AS 115 as compared with the Ind AS 18 revenue recognition requirements. Line items that were affected by the changes have been included.

As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained as below:

(₹ cr)

Balance Sheet (extract)		As at March 31, 2019 without adoption of Ind AS 115	Increase | (decrease)	As at March 31, 2019 as reported
Current assets				
	Trade receivables	704.59	(6.12)	698.47
	Total current assets	**704.59**	**(6.12)**	**698.47**
	Total assets	**704.59**	**(6.12)**	**698.47**
Current liabilities				
a)	Trade payables			
	Creditors other than micro enterprises and small enterprises	385.75	(6.12)	379.63
b)	Other financial liabilities	142.53	(3.92)	138.61
c)	Contract liabilities	-	8.46	8.46
d)	Other current liabilities	15.22	(4.55)	10.67
	Total current liabilities	**543.49**	**(6.12)**	**537.37**
	Total liabilities	**543.49**	**(6.12)**	**537.37**

(₹ cr)

Statement of profit and loss (extract)	2018-19 without adoption of Ind AS 115	Increase | (decrease)	2018-19 as reported
INCOME			
Revenue from operations	4,043.93	(6.12)	4,037.81
Total income	**4,043.93**	**(6.12)**	**4,037.81**
EXPENSES			
Other expenses	911.23	(6.12)	905.11
Total expenses	**911.23**	**(6.12)**	**905.11**
Profit before tax	**3,132.70**	**-**	**3,132.70**

Note 29.18 Changes in accounting policies (continued)

i) Revenue deferment of ₹ 6.12 cr representing unsatisfied performance obligation for completed export contracts in current year.

ii) Expenses deferment of ₹ 6.12 cr representing unsatisfied performance obligation for completed export contracts in current year.

iii) Presentation of assets and liabilities related to contracts with customers:

Liabilities relating to expected discounts of ₹ 3.92 cr were previously presented as other current financial liabilities are now included as contract liabilities.

Advance from customers of ₹ 4.55 cr were previously presented as other current liabilities are now included as contract liabilities.

Note 29.19 Events after the reporting period

The proposed dividend on equity shares at ₹ 15 per share is recommended by the Board of Directors which is subject to the approval of shareholders in the ensuing Annual General Meeting.

Note 29.20 Authorisation for issue of the Consolidated Financial Statements

The Consolidated Financial Statements were authorised for issue by the Board of Directors on April 26, 2019.

In terms of our report attached

For Deloitte Haskins & Sells LLP
Chartered Accountants

Samir R. Shah
Partner

Mumbai
April 26, 2019

For and on behalf of the Board of Directors

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
B S Mehta
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 26, 2019

Form AOC - I

{Pursunat 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 subsidiaries, associates and joint arrangements

Part A: Subsidiary companies

(₹ cr)

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 date of the relevant financial year in case of foreign subsidiary companies		Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% Shareholding
			Currency	Exchange rate											
01	Aaranyak Urmi Ltd	NA	NA	NA	0.21	(0.06)	0.34	0.19	-	0.29	(0.06)	-	(0.06)	-	100.00%
02	Aasthan Dates Ltd	NA	NA	NA	2.10	(0.36)	1.74	-	-	0.02	(0.01)	-	(0.01)	-	100.00%
03	Amal Ltd	NA	NA	NA	9.43	6.91	32.63	16.29	0.02	32.87	9.98	2.23	7.75	-	52.86%
04	Anchor Adhesives Pvt Ltd	NA	NA	NA	0.59	(0.14)	0.45	-	-	0.03	0.03	0.01	0.02	-	100.00%
05	Atul Aarogya Ltd	NA	NA	NA	0.06	0.07	0.13	-	0.05	-	-	-	-	-	41.67%
06	Atul Ayurveda Ltd	NA	NA	NA	0.06	0.02	0.08		0.03	-	-	-	-	-	41.67%
07	Atul Bioscience Ltd	NA	NA	NA	15.39	46.26	160.10	98.45	0.01	105.10	12.68	4.62	8.06	0.17	100.00%
08	Atul Biospace Ltd	NA	NA	NA	10.57	2.95	13.74	0.22	7.90	9.12	1.23	0.35	0.88	-	100.00%
09	Atul Brasil Quimicos Ltda	NA	BRL	17.66	1.25	(1.09)	0.59	0.43	-	1.15	0.07	-	0.07	-	100.00%
10	Atul China Ltd	NA	CNY	10.32	3.50	1.42	32.52	27.60	-	144.94	2.39	0.38	2.01	-	100.00%
11	Atul Clean Energy Ltd	NA	NA	NA	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	28.47%
12	Atul Crop Care Ltd	NA	NA	NA	0.05	2.10	2.95	0.80	0.14	9.92	0.75	0.20	0.55	-	26.00%
13	Atul Deutschland GmbH	NA	Euro	77.70	0.78	(0.35)	0.28	(0.15)	-	-	(0.04)	-	(0.04)	-	100.00%
14	Atul Elkay Polymer Ltd	NA	NA	NA	0.05	(0.11)	0.07	0.13	0.01	-	-	-	-	-	50.00%
15	Atul Entertainment Ltd	NA	NA	NA	0.06	0.02	0.08	-	0.03			-		-	41.67%
16	Atul Europe Ltd	NA	GBP	90.48	29.77	3.26	93.73	60.70	8.37	209.90	1.99	0.36	1.63	-	100.00%
17	Atul Fin Resources Ltd	NA	NA	NA	2.50	0.19	2.69	-	-	0.16	0.16	0.04	0.12	-	100.00%

Statement containing salient features of the Financial subsidiaries, associates and joint arrangements
Part A: Subsidiary companies (continued)

(₹ cr)

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 date of the relevant financial year in case of foreign subsidiary companies		Equity share capital	Reserves and surplus	Total assets	Total liabilities	Investments	Revenue	Profit before tax	Provision for tax	Profit after tax	Dividend	% Shareholding
			Currency	Exchange rate											
18	Atul Finserve Ltd	NA	NA	NA	30.52	40.24	70.92	0.16	64.48	1.00	0.20	(0.16)	0.36	-	100.00%
19	Atul Hospitality Ltd	NA	NA	NA	0.06	0.02	0.08	-	0.01	-	-	-	-	-	41.67%
20	Atul Infotech Pvt Ltd	NA	NA	NA	0.24	16.70	17.39	0.45	0.02	3.43	0.25	0.07	0.18	-	100.00%
21	Atul Middle East FZ LLC	NA	AED	18.86	0.57	(0.07)	1.14	0.64	-	1.14	0.23	-	0.23	-	100.00%
22	Atul Nivesh Ltd	NA	NA	NA	2.50	0.19	2.69	-	-	0.16	0.16	0.04	0.12	-	100.00%
23	Atul Rajasthan Date Palms Ltd	NA	NA	NA	8.11	0.96	21.35	12.28	-	0.80	0.25	0.01	0.24	-	74.00%
24	Atul (Retail) Brands Ltd	NA	NA	NA	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	43.05%
25	Atul Seeds Ltd	NA	NA	NA	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	41.67%
26	Atul USA Inc	NA	USD	69.17	13.83	7.43	46.47	25.21	-	309.14	4.45	0.97	3.48	-	100.00%
27	Biyaban Agri Ltd	NA	NA	NA	1.09	(0.56)	0.53		-	0.01	(0.06)	-	(0.06)	-	100.00%
28	DPD Ltd	NA	GBP	90.48	2.26	15.56	30.03	12.21	-	22.71	3.83	0.45	3.38	-	98.00%
29	Jayati Infrastructure Ltd	NA	NA	NA	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	41.67%
30	Lapox Polymers Ltd	NA	NA	NA	0.05	1.61	3.13	1.47	0.11	11.22	0.67	0.18	0.49	-	20.00%
31	Osia Dairy Ltd	NA	NA	NA	0.06	(0.01)	0.05	-	0.03	-	-	-	-	-	41.67%
32	Osia Infrastructure Ltd	NA	NA	NA	0.06	(0.01)	0.06	0.01	0.04	-	-	-	-	-	40.00%
33	Raja Dates Ltd	NA	NA	NA	4.10	(0.44)	3.73	0.07	-	0.03	(0.09)	-	(0.09)	-	100.00%

Note:

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

Gujarat Synthwood Ltd is under liquidation.

NA: Not applicable.

Part B: Associates and joint venture companies

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to joint arrangements

(₹ cr)

No.	Name of the company	Latest audited Balance Sheet date	Shares of associate | joint arrangements held by the Company on the year end			Description of how there is significant influence	Reason why the associate | joint arrangements is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Accumulated profit | (loss)	Profit | (Loss) for the year	
			No.	Amount of investment	Extent of holding %					Considered in consolidation	Not considered in consolidation
	Joint venture company										
01	Rudolf Atul Chemicals Ltd	March 31, 2019	29,18,750	6.13	50.00%	Refer Note 1	NA	16.54	22.73	5.02	5.71
	Joint operation										
01	Anaven LLP	March 31, 2019		21.56	50.00%	Refer Note 2	NA	46.37	(1.00)	(0.50)	(0.50)

Note 1: By representation on the Board of Directors of the joint venture company, the Company participates in the policy making process
Note 2: This is a jointly controlled entity.

Recognition

Do not worry if you are not recognised, but strive to be worthy of recognition.
~ Abraham Lincoln

Rashtra Vibhushan Award 2018-19 in 'Agriculture development' category, presented by Foundation for Accelerated Mass Empowerment for 'Greening the Deserts' project.

1st prize for Excellence in Cost Management under the category of Private – Manufacturing – Large at the 15th National Awards, presented by the Institute of Cost Accountants of India.

IDC Insights Award 2018 presented by International Data Corporation for leadership in digital transformation.

Notes

Atul Ltd

Registered office: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India

Attendance slip

42nd Annual General Meeting
Wednesday, July 31, 2019

DP ID		Folio number | Client ID number	

Full name of the shareholder | proxy attending the meeting:

(First name) (Middle name) (Last name)

First holder | joint holder | proxy

(Strike out whichever is not applicable)

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

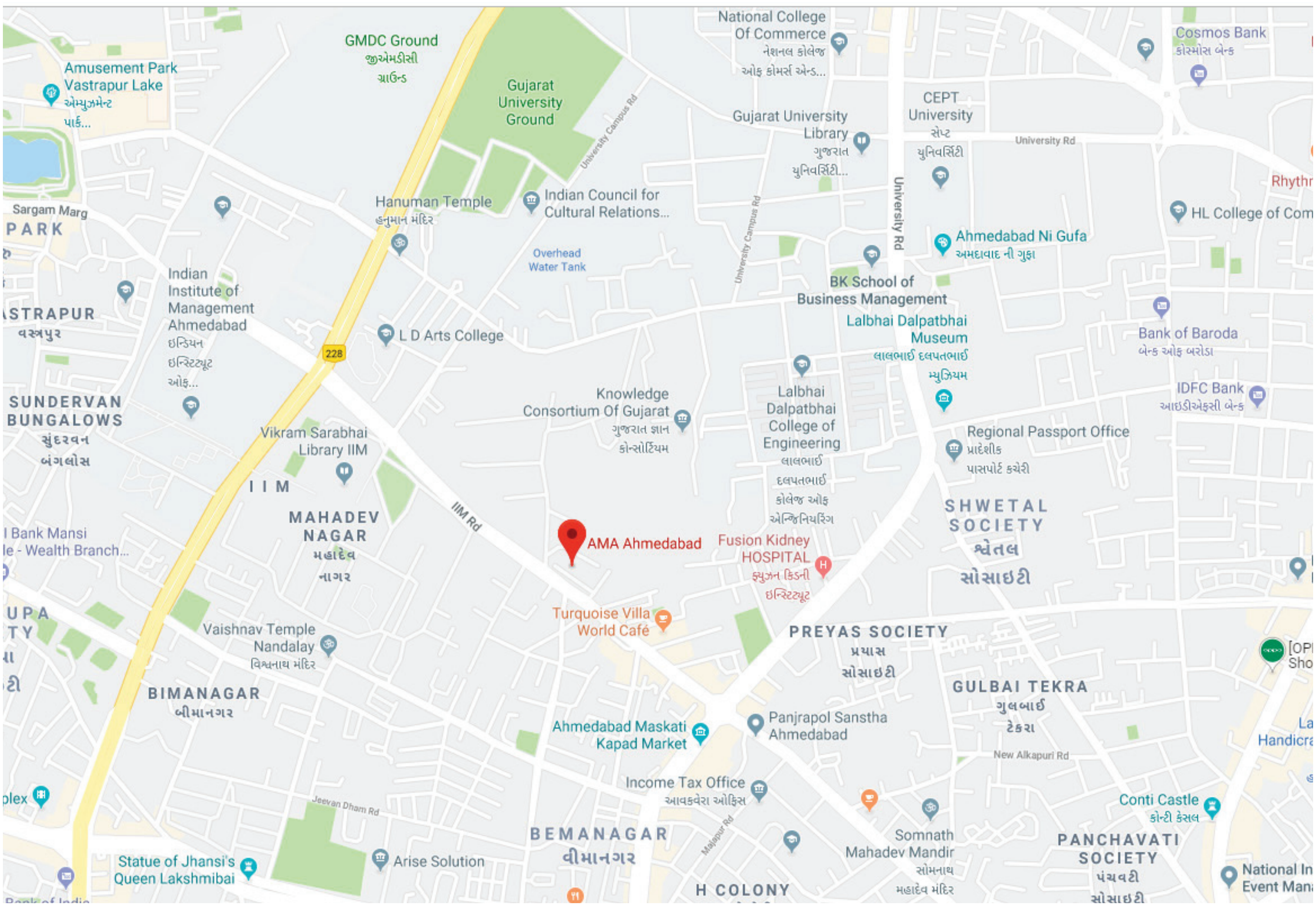
(First name) (Middle name) (Last name)

Signature of the shareholder | proxy

Atul Ltd

Registered office: Atul House, G I Patel Marg, Ahmedabad 380 014, Gujarat, India

Route map to the venue of the Annual General Meeting



Venue:
H T Parekh Hall
Ahmedabad Management Association
Dr Vikram Sarabhai Marg
Ahmedabad 380 015, Gujarat
India

Distance of the venue from:
Railway station - 10 km
Airport - 16 km

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}
Corporate identification number: L99999GJ1975PLC002859

Name of the Company: **Atul Ltd**

Registered office: Atul House, G I Patel Marg, Ahmedabad 380 014, 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:

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

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

03. 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 42nd Annual General Meeting of the Company, to be held on Wednesday, July 31, 2019 at 10:30 am at H T Parekh Hall, Ahmedabad Management Association, Dr Vikram Sarabhai Marg, Ahmedabad 380 015, 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 March 31, 2019
2.	Declaration of the dividend on equity shares
3.	Reappointment of Mr T R Gopi Kannan as a Director
4.	Reappointment of Mr T R Gopi Kannan as a Whole-time Director
5.	Reappointment of Mr B N Mohanan as a Whole-time Director
6.	Reappointment of Mr M M Chitale as an Independent Director for five consecutive years
7.	Reappointment of Ms S A Panse as an Independent Director for five consecutive years
8.	Reappointment of Mr B R Arora as an Independent Director for five consecutive years
9.	Ratification of remuneration of R Nanabhoy & Co for Cost Audit

Signed this ____ day of ______________ 2019.

Signature of the member

Signature of the proxy holder(s)

Affix Revenue Stamp here

Note:

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

Notes

Corporate information

Directors

Mr Sunil Lalbhai
(Chairman and Managing Director)

Mr Rajendra Shah

Dr Satguru Baijal
(up to March 31, 2019)

Mr Bansi Mehta

Mr Hasmukh Shah
(up to March 31, 2019)

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

Statutory Auditors
Deloitte Haskins & Sells LLP

Cost Auditors
R Nanabhoy & Co

Secretarial Auditors
SPANJ & Associates

Registered office
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India

Head office
Atul 396 020, Gujarat, India
E-mail address: sec@atul.co.in
Website: www.atul.co.in

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

Atul Ltd
Atul House
G I Patel Marg
Ahmedabad 380 014, Gujarat
India

Lalbhai Group